

COUNTY OF CALHOUN, MICHIGAN



Comprehensive Annual Financial Report

**For The Year Ended
December 31, 2010**

COUNTY OF CALHOUN, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Board of Commissioners:

Michael Rae, Chairperson
Terris E. Todd, Vice-Chairperson

Lisa Gerow
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Kirk A. Lee

Prepared by:

Finance Department

County Administrator/Controller:

Kelli Scott

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Bradley Wilcox

COUNTY OF CALHOUN, MICHIGAN
For the Year Ended December 31, 2010

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INTRODUCTORY SECTION

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Calhoun County

Office of the Administrator/Controller

"Building A Better County Through Responsive Leadership"

315 West Green Street
Marshall, MI 49068

Office (269)-781-0966
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June 27, 2011

**To the Honorable Chairman, Members of the Board of Commissioners
and the Citizens of the County of Calhoun, Michigan:**

The comprehensive annual financial report of the County of Calhoun, Michigan (the "County") for the year ended December 31, 2010, is hereby submitted in accordance with Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that the County issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

PROFILE OF CALHOUN COUNTY GOVERNMENT

Calhoun County was incorporated on October 29, 1829. It covers an area of approximately 720 square miles. The County Seat is located in the City of Marshall, mid-way between Chicago and Detroit near the junction of two major interstate highways - I-94 (east-west) and I-69 (north-south). The City of Battle Creek is the largest metropolitan area in the County. The population of the County per the 2009 U.S. Census estimate is 136,146.

The County is governed by a seven-member elected Board of Commissioners. Members of the Board of Commissioners are elected on a partisan basis for two-year terms from within their respective districts that are approximately equal in population. The Board elects from its ranks a Chairperson and a Vice Chairperson by majority vote. The administration of the County, other than as delegated to elected officials, is guided by the County Administrator/Controller who is appointed by a two-thirds vote of the Board of Commissioners and serves at its pleasure. The Board is responsible for determining the type and level of County services, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions and County officials. In turn, the County Administrator/Controller is responsible for carrying out the Board's policies and resolutions, and managing the day-to-day operations of the County.

Judges of the 37th Judicial Circuit and the Probate Court and the 10th District Court are elected at large for six-year terms. Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding Judges, while the County government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various statutory County officials, including the County Treasurer, County Clerk/Register of Deeds, Prosecuting Attorney, Water Resources Commissioner and Sheriff, who are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with the interrelated fiscal affairs of County departments and agencies. The duties of the County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel, and serving as Clerk of the Board of Commissioners. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of State criminal law within the County and may represent the County in appropriate Courts. The County Water Resources Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of processes and primary law enforcement response in areas of the County without local police functions.

In addition, the Board of Commissioners appoints several County officials, including the Administrator/Controller, Corporation Counsel, Health Officer, Medical Examiner and the Equalization Director with responsibilities as defined by statute, County ordinance or resolution. The Administrator/Controller's responsibilities include direction of central administrative functions of the County government and acting as a liaison on behalf of the Board of Commissioners between County offices, appointed officials and the general public. The Office of Corporation Counsel is responsible for legal advice, counsel or court action in all cases involving an official act or duty of a county officer, elected official or county department. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by State law. The Equalization Director oversees the equalization process of the County as prescribed by law.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific County functions include the Board of County Road Commissioners, the Board of Public Works, the Board of Parks Trustees, the Board of Health, Senior Millage Allocation Committee, Summit Pointe Board of Directors, and Veterans Affairs Committee. The Board also appoints members to various advisory committees and to regional bodies overseeing other programs providing services to the residents of the County.

The business of the County is carried out on a daily basis by approximately 550 employees located on several different campuses throughout the County. The primary locations are Marshall, the County seat, Battle Creek and Albion.

This report includes all funds of the County and its component units. The County provides a full range of services to County residents. Services are provided in the areas of public safety (law enforcement, prosecution, jail administration), judicial (administration of the courts and probation departments), elections, public works, health services, social services, cultural (MSU cooperative extension services), road repair and maintenance services, parks and recreation, and general administrative services. In any one day, hundreds of people access County services:

- They may be utilizing one of the many public health, sanitation or disease control services provided by the Health Department, the support services of County Veteran Affairs or Senior Services, or the residential services of the Medical Care Facility. They may be utilizing one of the many other human service programs supported by County funds in the area of mental health, substance abuse, aging, special transportation, or youth violence prevention.
- They may be utilizing the services of the County Prosecutor, the Sheriff, or the Courts.
- They may be obtaining birth, death, tax or property information from the Offices of the County Clerk, Register of Deeds or the Treasurer; participating in elections; or getting assistance in drainage-related problems from the Water Resources Commissioner.
- They may be attending educational events sponsored by MSU Cooperative Extension or enjoying one of the County Parks.

The annual budget serves as the foundation for the County's financial planning and control. The County maintains real-time budgetary controls using an integrated financial management software package. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. The appropriated budget is prepared by function and activity for the General Fund and by fund and function for the special revenue funds. Budgetary transfers are permitted in accordance with Board-adopted budget policies. Transfers of appropriations less than or equal to \$20,000 between major account classifications within the General Fund and special revenue fund(s) may be approved by the County Administrator/Controller; transfers greater than \$20,000 require the approval of the Board of Commissioners. The level of budgetary control is the business unit level for the General Fund and the special revenue funds. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

The County's strategic plan is intended to provide the foundation for budgetary decisions by establishing a vision, mission and long-range objectives. In addition to the strategic plan, the Board of Commissioners, at least annually, strive to establish a set of priorities for the development of the budget. The intent of these is to remain consistent with the overall objectives in the strategic plan but yet develop specific priorities that reflect current issues while keeping in mind the County's long-term objectives and financial limitations.

The following are recent priorities/accomplishments as identified by the Board of Commissioners:

- **Technology Improvements:** The County has embarked on several technology improvements that should produce efficiencies over the next several years. These include electronic records management, County web site redesign, GIS implementation and new financial management software.
- **Consolidated E-911 Dispatch:** The Calhoun County Consolidated Dispatch Authority became operational in early 2010. Located in the County Administration Building, the Authority effectively combined three separate municipal dispatch operations into a single operational unit. Calhoun County provides many support service functions to the Authority including finance, human resource and legal services. These are provided for a fee negotiated between the County and the Authority.
- **Capital Plan Development:** The Board of Commissioner's adopted a formal capital improvement policy to guide the organization in the identification of future infrastructure needs. Incorporated within the policy are capital plan development components, coordination of operational aspects and funding identification. The implementation of a seven million dollar Energy Improvement capital project during 2010 in partnership with Honeywell International is expected to deliver ongoing savings in utilities and operational costs, and demonstrates the County's commitment to maintaining its physical infrastructure.
- **Long-Term Financial Stability:** The Board of Commissioners approved an Early Retirement Incentive Plan during 2010, with a primary goal of creating long-term budgetary savings. The County also began offering a high deductible employee health insurance plan coupled with Health Savings Accounts in 2010—another necessary, structural cost reduction. Budget policies, teams and controls align with strategic objectives and are directed by the County's five year operating forecast, updated during 2010 and included in adopted budget resolutions.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy. Through a varied industrial, commercial and agricultural base, the County enjoys a relatively stable economic environment and indicators point to a continuation of this trend. The Fort Custer Industrial Park has become Michigan's largest industrial park. Located in the City of Battle Creek, the park, which is a customs free trade zone, encompasses 3,000 acres and contains 85 companies employing more than 9,000 people. The City of Battle Creek is host to the world headquarters of Kellogg

Corporation and the cereal manufacturing industry. Also, Battle Creek is a U.S. Customs Port of Entry and contains a Foreign Trade Zone. A commercial shopping corridor in the Battle Creek/Emmett Township area serves a regional market. Automotive and plastic parts manufacturers, insurance companies, iron foundries, farms (approximately 1,200) and related agricultural businesses provide a variety of employment opportunities. A major U. S. Veterans Hospital in Battle Creek and community/regional hospitals in Battle Creek and Marshall provide health care services as well as additional employment opportunities. Higher education is available to County residents and others at several public and private colleges located in Albion and Battle Creek, including Kellogg Community College (KCC), Albion College, Western Michigan University's Kendall Center and the newly established Miller College. Finally, in addition to established industrial parks in Albion, Battle Creek, Marshall, Tekonsha, and Springfield, the County possesses three significant recreational parks: Kimball Pines Park, Historic Bridge Park at Riverside Park, and the Ott Preserve.

The FireKeepers Casino opened in 2009, creating at least 1,200 jobs and bringing an estimated 3.8 million tourists annually. Its first full year of operations was 2010. The FireKeepers Local Revenue Sharing Board (FLRSB) was formed in accordance with a Compact between the Huron Potawatomi Band of the Nottawaseppi Tribe and consists of representatives from the Tribe, the Cities of Battle Creek and Marshall, Emmett and Athens Townships, and Calhoun County. The FLRSBS adopted its By Laws in 2010 and distributed over \$1.9 million dollars that year to local units of government within Calhoun County. The funds represented a 2% payment by the Tribe of its net win from electronic gambling machines for the casino's first five months of operation during 2009. This two percent revenue is expected to continue to generate millions of dollars annually to offset actual cost increases related to the casino and nearby Tribal reservation, reimburse for foregone property taxes on the tax exempt Tribal properties, and offer additional funding for any lawful governmental use by various local units of government.

There has been a broad based decline in the market prices of residential and non-residential real estate in Michigan since the beginning of 2006, resulting in a slowing of appreciation and more recently, declines in assessed and taxable valuations. This has resulted in reduced property taxes compared to prior years. To address this revenue reduction, various operational expenses have been reduced, labor agreements aggressively negotiated and in some cases, positions have been eliminated.

The unreserved, undesignated fund balance currently stands at 9.9% of the total previous year's general fund expenditures (including transfers out) thereby meeting the Board of Commissioners adopted policy range of 8% - 12%, as well as the Government Finance Officer's Association recommended practices. On December 31, 2009 the unreserved, undesignated fund balance was 9.5%

Debt Administration. At December 31, 2010 the County's outstanding direct bonded debt was \$20.5 million, a net increase of 6.4 million from the prior year-end. Our overall bond rating is "AA-".

AWARDS AND ACKNOWLEDGMENTS


Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Calhoun County, Michigan for its comprehensive annual financial report for the fiscal year ended December 31, 2009. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Calhoun County has received a Certificate of Achievement for the last fourteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance and operating departments throughout the County. We would like to express our appreciation to members of those departments who assisted and contributed to the preparation of this report. Due credit also should be given to the Board of Commissioners for its interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectively Submitted,

A handwritten signature in black ink, appearing to read "Kelli Scott". The signature is fluid and cursive, with the first name "Kelli" and last name "Scott" clearly distinguishable.

Kelli Scott, County
Administrator/Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Calhoun
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

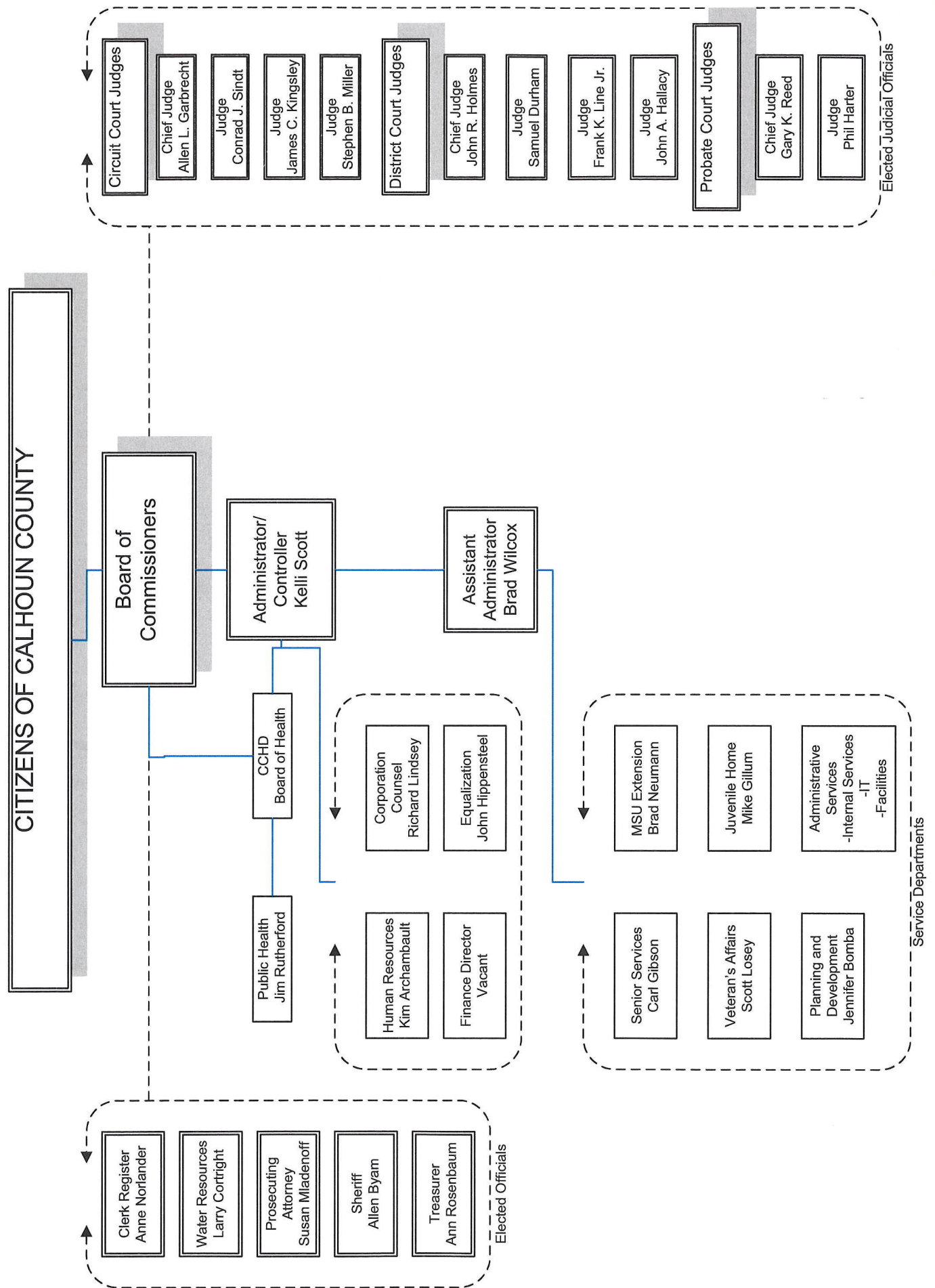
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CALHOUN COUNTY ADMINISTRATIVE ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 27, 2011

The Board of Commissioners
County of Calhoun, Michigan
Marshall, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **COUNTY OF CALHOUN, MICHIGAN**, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility and Delinquent Tax Revolving Enterprise Funds, which are major funds, and therefore, separate opinion units. In addition, we did not audit the financial statements of the Land Bank Authority Component Unit, which represent less than 1% of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinions, insofar as they relate to the amounts included for the Medical Care Facility and Delinquent Tax Revolving Enterprise Funds and the Land Bank Authority Component Unit are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Medical Care Facility Enterprise Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Calhoun, Michigan, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-14 and the historical pension supplementary information for the Employees Retirement System and other postemployment benefit plan information listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the County of Calhoun, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements taken as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Calhoun, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive style with a large, stylized 'L' at the beginning.

MANAGEMENT'S DISCUSSION and ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Calhoun, Michigan (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–vi of this report, and the accompanying basic financial statements.

Financial Highlights

- The assets of the County, as presented in the Government-Wide financial statements, exceeded its liabilities at the close of the most recent fiscal year by \$66.7 million (*net assets*), a decrease of \$0.4 million in 2010. Of this amount, \$15 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The majority of unrestricted net assets are contained within the Medical Care Facility and Delinquent Tax Revolving Fund, which are proprietary or business-type, and not governmental, funds.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, and debt service funds) reported combined ending fund balances of \$9.5 million, a decrease of approximately \$100 thousand in comparison with the prior year. Of the fund balance amount, \$9.4 million is *available for spending* at the government's discretion (*unreserved fund balance*).
- Total fund balance for the general fund was \$4,021,729, an increase of \$162,284 for 2010. At the end of the year, the unreserved portion of the fund balance in the general fund was \$3,935,468, or approximately 9.4 percent of total general fund expenditures for the prior year, thereby adhering to the policy range of 8 – 12 percent as adopted by the Board of Commissioners.
- The County's net investment in capital assets was \$35.8 million at the end of 2010, approximately the same as the previous year's balance.
- The County's total bonded debt, excluding delinquent tax notes, equaled \$20.5 million at the close of 2010, increasing by \$6.4 million during the current fiscal year due primarily to the issuance of \$7 million in Series 2010 Recovery Zone Economic Development Bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacations leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, judicial, public works, health and welfare, and recreation and cultural. The business-type activities of the County include the Medical Care Facility that provides long-term skilled nursing care and the Delinquent Tax Revolving Fund.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Road Commission, a legally separate Board of Public Works, and a legally separate Drain Commission, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Medical Care Facility, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental fund financial statements focus on a *short-term view of spendable resources and the balance of those spendable resources* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Senior Millage Fund, the Child Care Fund, and the Capital Projects Fund which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for all applicable funds to demonstrate compliance with this budget.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses four enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its equipment purchases, building and grounds, administrative services, insurance, employee benefits, workers' compensation, and sick and accident expenses. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility and the Delinquent Tax Revolving Fund, which are considered to be major funds of the County. Data from the other two enterprise funds are combined into a single aggregated presentation. Detailed financial information for each of the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees and its obligation to provide healthcare benefits to retirees.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions.

County-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For Calhoun County, assets exceeded liabilities by \$66.7 million at the close of the most recent fiscal year. The following schedule shows the County's assets by category.

THE COUNTY'S NET ASSETS (in millions)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$21.3	\$21.1	\$25.4	\$ 23.8	\$46.7	\$44.9
Capital assets	<u>37.8</u>	<u>31.9</u>	<u>17.2</u>	<u>17.8</u>	<u>55.0</u>	<u>49.7</u>
Total assets	<u>59.1</u>	<u>53.0</u>	<u>42.6</u>	<u>41.6</u>	<u>101.7</u>	<u>94.6</u>
Long-term liabilities outstanding	17.4	10.0	8.3	7.8	25.7	17.8
Other liabilities	<u>7.2</u>	<u>7.4</u>	<u>2.2</u>	<u>2.4</u>	<u>9.4</u>	<u>9.8</u>
Total liabilities	<u>24.6</u>	<u>17.4</u>	<u>10.5</u>	<u>10.2</u>	<u>35.1</u>	<u>27.6</u>
Net assets:						
Invested in capital assets, net						
of related debt	25.9	25.6	9.9	10.2	35.8	35.8
Restricted	4.0	5.5	11.8	12.2	15.8	17.7
Unrestricted	<u>4.6</u>	<u>4.5</u>	<u>10.4</u>	<u>9.0</u>	<u>15.0</u>	<u>13.5</u>
Total net assets	<u>\$34.5</u>	<u>\$35.6</u>	<u>\$32.1</u>	<u>\$31.4</u>	<u>\$66.6</u>	<u>\$67.0</u>

By far, the largest portion of the County's net assets, \$35.8 million (54%) represent its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens; consequently, these assets are not cash and not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets \$15.8 million (23.7%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net assets are \$15.0 million (22.3%) as of December 31, 2010. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2010 fiscal year, the County is able to report positive balances in all three net asset categories (invested in capital asset-net of related debt, restricted and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

COUNTY'S CHANGES IN NET ASSETS

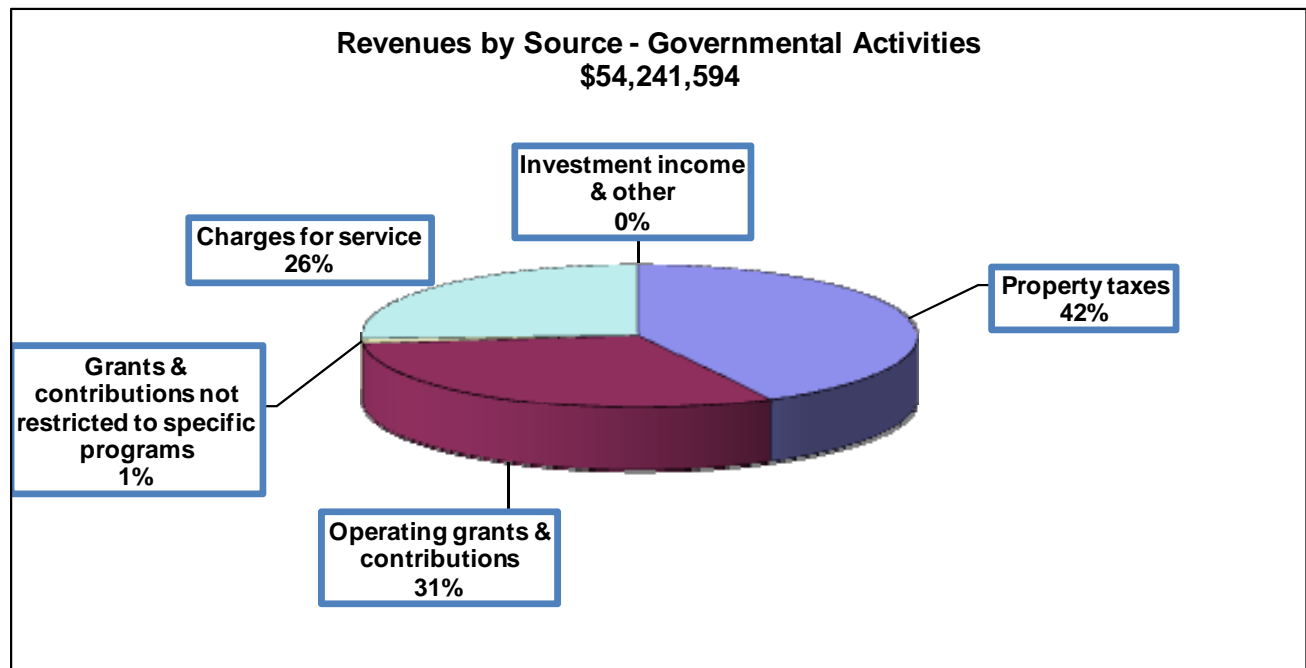
	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue:						
Program revenue:						
Charges for services	\$13.9	\$13.4	\$16.1	\$14.8	\$30.0	\$ 28.2
Operating grants and contributions	16.8	13.0	.1	.1	16.9	13.1
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	22.9	22.7	1.0	.9	23.9	23.6
Other	<u>0.6</u>	<u>0.6</u>	<u>-</u>	<u>-</u>	<u>.6</u>	<u>.6</u>
Total revenue	<u>54.2</u>	<u>49.7</u>	<u>17.2</u>	<u>15.8</u>	<u>71.4</u>	<u>65.5</u>
Expenses:						
Legislative	.3	.3	-	-	.3	.3
Judicial	12.8	13.3	-	-	12.8	13.3
General government	8.5	7.3	-	-	8.5	7.3
Public safety	20.1	20.0	-	-	20.1	20.0
Public works	.1	.1	-	-	.1	.1
Health and welfare	13.4	12.7	-	-	13.4	12.7
Recreation and cultural	1.7	1.2	-	-	1.7	1.2
Other governmental	-	-	-	-	-	-
Interest on long-term debt	.2	.3	.3	.3	.5	.6
Medical Care facility	-	-	12.9	12.3	12.9	12.3
Delinquent tax collections	-	-	.7	.7	.7	.7
Inmate concessions	-	-	.7	.6	.7	.6
Property description	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>57.1</u>	<u>55.2</u>	<u>14.6</u>	<u>13.9</u>	<u>71.7</u>	<u>69.1</u>
Increase (decrease) in net assets before transfers	-2.9	-5.5	2.6	1.9	-0.3	-3.6
Transfers	<u>1.8</u>	<u>1.7</u>	<u>-1.9</u>	<u>-1.7</u>	<u>-0.1</u>	<u>-</u>
Increase (decrease) in net assets	-1.1	-3.8	.7	.2	-0.4	-3.6
Net assets – beginning of year	<u>35.6</u>	<u>39.4</u>	<u>31.4</u>	<u>31.2</u>	<u>67.0</u>	<u>70.6</u>
Net assets - end of year	<u>\$ 34.5</u>	<u>\$ 35.6</u>	<u>\$ 32.1</u>	<u>\$ 31.4</u>	<u>\$ 66.6</u>	<u>\$ 67.0</u>

The County's total net assets decreased by \$0.4 million during the current fiscal year. Governmental activities experienced a decrease of \$1.1 million, while business-type activities increased by \$0.7 million.

Governmental activities. Net assets decreased by \$1.1 million, a result of continual declining revenue streams coupled with increasing expenditure demands. It should be noted that this is a significant improvement from the decrease of \$3.8 million experienced in 2009, mainly due to the reinstatement of State Revenue Sharing in 2010.

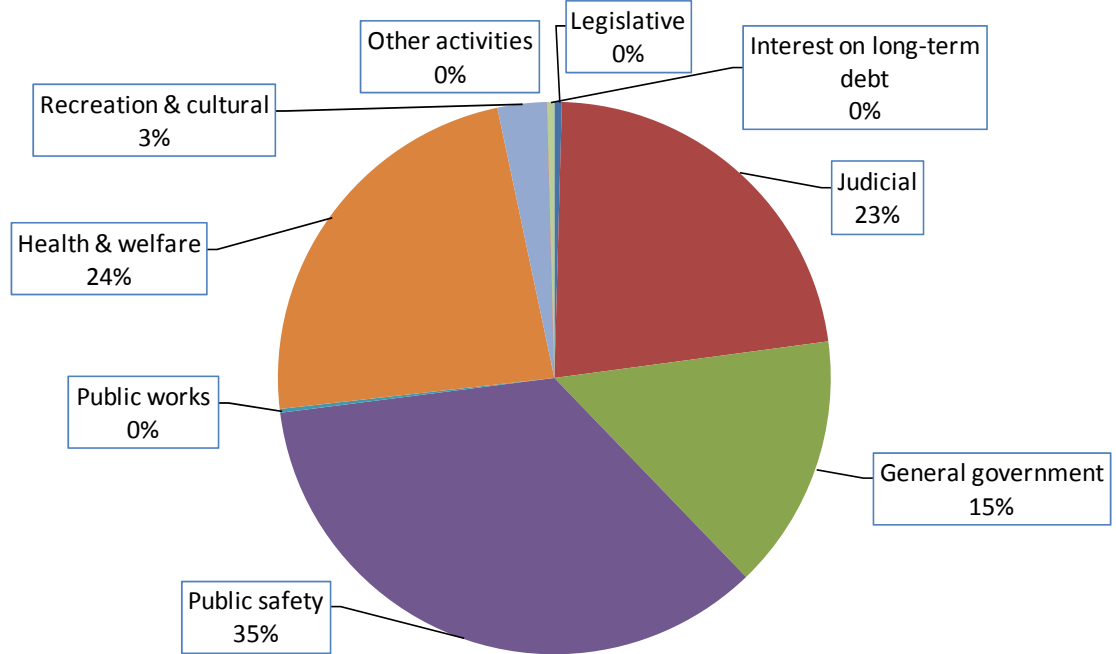
Items of note include the following:

- Property tax revenues increased slightly from \$22.7 million in 2009 to \$22.9 million in 2010 due to an inflationary factor slightly above one percent applied to taxable values, despite the beginning of declining assessed property values throughout Calhoun County in 2010.
- The County exhausted its Revenue Sharing Reserve Fund during 2010 and began with partial funding for 2010 from the State's County Revenue Sharing Appropriations, for the first time since 2004 when County Revenue Sharing was eliminated at the state level. Due to the difference between the State's fiscal year (starting October 1) and the County's fiscal year (starting January 1), the County received its first two fiscal year 2011 payments during 2010, totaling \$0.9 million. State Revenue Sharing is shown as Operating Grants and Contributions revenue.
- In July 2010, Enbridge Energy Partners LLP (Enbridge) reported the rupture of a 30-inch pipeline causing the release of an estimated 819,000 gallons of crude oil into Talmadge Creek and the Kalamazoo River mostly within Calhoun County, causing extensive property damage and millions of dollars in emergency response and cleanup costs. Operating Grants and Contributions revenue for 2010 included \$613,000 that Enbridge, as the responsible party, reimbursed Calhoun County for its increased costs incurred, including indirect cost recovery. An increase of \$453,000 is reflected in expense categories for 2010, and the indirect cost recovery resulted in an increase to net assets of \$160,000.
- Spending within the Health and Welfare Governmental category increased during 2010 primarily due to increases in grant activities.
- An Early Retirement Incentive Program was implemented in 2010 and included a lump sum payout to retirees based on years of service worked. The plan is expected to create net budgetary savings in compensation costs starting in 2011 and continuing in future years. The immediate effect during 2010 was an increase in the General Government expense category of \$490,000 to fund the payouts to employees.
- Transfers included \$1.6 million to the Capital Improvement Fund in 2010, using positive budget variances including the early receipt of the 2011 State Revenue Sharing payments and funding in excess of what was estimated from the FireKeepers Local Revenue Sharing Board.
- In total, Revenues from Governmental Activities increased by \$4.5 million from 2009 to 2010, mainly due to early payments of 2011 State Revenue Sharing, increased grant activity and reimbursement of oil spill response costs. Property taxes remain the largest source of governmental activity revenues, at 42%.



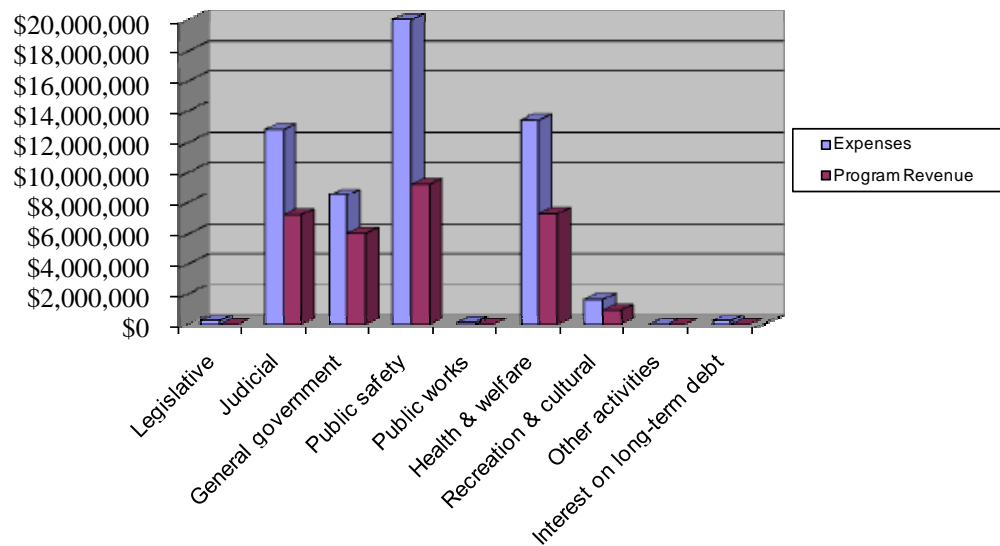
- Total Governmental Activity Expenses increased by a smaller amount of \$1.9 million in 2010 (3.4%), with most of the increases also attributed to one-time events including the Enbridge oil spill, Early Retirement Incentive Program, and increased grant funded programs at the Health Department.
- Aside from the one-time events mentioned above, spending on governmental activities during 2010 was held to almost no increase over 2009 levels. This necessary cost control was due to the ongoing, collective and determined efforts of the County Board of Commissioners, department heads, elected officials, judiciary and all county staff to recognize our financial limitations and function effectively within those parameters. As a result, there continues to be no significant compromise to the level of service to the citizens of Calhoun County.

Expenses - Governmental Activities



- Public Safety, Health and Welfare and Judicial categories continue to represent the majority of spending on Governmental Activities, with 82% of total expenditures in these categories.

Expenses and Program Revenues - Governmental Activities



- Program Revenues fall \$26.4 million short of covering Governmental Activity Expenses in total, with the gap being filled by General Revenues—mainly property taxes—as a crucial funding source for these activities.

- **Business-type activities.** Business-type activities increased the County's net assets by \$0.7 million during 2010. The key elements of the current year increase are as follows:
 - The Medical Care Facility had an increase in net assets of \$0.1 million mainly due to an increase in charges for services and property taxes.
 - The Delinquent Tax Revolving Fund contributed \$2.5 million to the increase in net assets before transfers but after a \$1.7 million transfer to the General Fund, the net contribution totaled \$0.6 million. This is an increase of \$0.1 million from the previous year due to an increase in interest on taxes and administrative fees and penalties.

Financial Analysis of the County's Funds

As noted earlier, The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$9,539,480, a decrease of \$102,853 in comparison with the prior year, with some factors that led to this use of fund balance listed below. Of the fund balance amount, \$9,395,561 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,935,468, while total fund balance was \$4,021,729. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to prior year expenditures. Unreserved fund balance represents 9.4 percent of total general fund expenditures for the prior year thereby meeting the Board of Commissioners adopted policy, as well as the Government Finance Officer's Association recommended practices.

The fund balance in the County's General Fund increased by \$162,284 during the current fiscal year due to early fiscal year 2011 payments from State Revenue Sharing and additional revenue relating to the Enbridge Oil Spill; partially offset by increases in cost for Early Retirement Incentive payouts, Oil Spill expenses and transfers to the Capital Improvement Fund. The County will continue to experience ongoing expenditure savings due to prudent fiscal management.

The Health Department experienced an increase to fund balance during 2010. Operating revenue increased by \$1.4 million or 46.7% mainly due to an increase in Federal and Local grants received. Expenses also increased, \$1.5 million or 40%, mainly due to the expenses relating to the implementation of these newly obtained Federal and Local grants.

The Senior Millage fund increased their fund balance by \$217,466 during 2010 primarily due to an increase in taxes collected as a result of an inflationary factor applied to taxable values, in spite of declining assessed property values. Total fund balance at the end of the year is \$682,732.

The Child Care Fund has a fund balance of \$201,851, a decrease of \$16,879 in 2010 that is attributed to the planned use of accumulated prior years' excess contributions from the General Fund to fund current year Child Care Fund expenses.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Delinquent Tax Revolving Fund and the Medical Care Facility at the end of the year amounted to \$9.0 million and \$1.3 million, respectively. This is an increase of \$1.5 million from the previous year. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revenues in the general fund (including transfers in) increased \$0.8 million from the amended to the final budget. This was primarily attributable to \$0.6 million in revenues received to cover the unanticipated costs surrounding the Oil Spill, \$0.1 million in additional revenue from Property Taxes, and a \$0.1 million transfer in to cover contractual services for Public Safety operations.

A corresponding increase in budgeted expenditures in the general fund (including transfers out) of \$1.4 million occurred from the original to final budget. In conjunction with the revenue increases, due to the Oil Spill and Public Safety item mentioned above, it was necessary to increase the associated expenditure budget by \$0.6 million. The Early Retirement Incentive Program initiated in 2010 led to previously unbudgeted expenditures of \$0.5 million. A \$0.1 million appropriation was made to the Road Commission for the remainder of a public works sewer project. Transfers of \$0.1 million to the Capital Improvement Fund to cover net debt service, and \$0.1 million to an internal service fund to cover liability costs account for the majority of the remaining expenditure increases.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2010 for its governmental and business-type activities amounted to \$37,767,241 and \$17,207,671 respectively. These capital assets include land, buildings and improvements, equipment and furniture, and vehicles.

The total increase in the County's investment in capital assets for the current fiscal year was \$5.5 million and is primarily the result of energy conservation and operational savings projects, currently in process, that affect multiple County buildings.

THE COUNTY'S CAPITAL ASSETS
(Net of depreciation)

	Governmental Activities	Business-type activities	Total
Land	\$ 1,266,264	\$ -	\$ 1,266,264
Construction in process	6,914,742	-	6,914,742
Buildings and improvements	27,749,591	16,483,010	44,232,601
Equipment and furniture	1,438,666	724,661	2,163,327
Vehicles	397,978	-	397,978
	<u>\$37,767,241</u>	<u>\$17,207,671</u>	<u>\$54,974,912</u>

Additional information on the County's capital assets can be found in note III.D.

Long-term debt. At the end of the 2010, the County had total bonded debt outstanding of \$21,390,000, an increase of \$6,700,000 from 2009. In 2010, the County issued Recovery Zone Economic Development Bonds totaling \$7,000,000 to fund Capital Improvement projects including an Energy Savings Performance Contract, and also retired debt of \$625,000 in general obligation bonds. The County issued \$700,000 more in delinquent tax notes during 2010 than in 2009. The entire balance comprises debt backed by the full faith and credit of the County.

THE COUNTY'S OUTSTANDING DEBT
General Obligation

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 13,140,000	\$ 6,515,000	\$ 7,350,000	\$ 7,600,000	\$ 20,490,000	\$ 14,115,000
Delinquent tax notes	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>200,000</u>	<u>900,000</u>	<u>200,000</u>
	<u>\$ 13,140,000</u>	<u>\$ 6,515,000</u>	<u>\$ 8,250,000</u>	<u>\$ 7,800,000</u>	<u>\$ 21,390,000</u>	<u>\$ 14,315,000</u>

The County has an "AA-" rating for both general obligation bonds and tax anticipation notes from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$433,679,621, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.H.

Economic Factors and Next Year's Budgets

The following factors were considered in preparing the County's budget for the 2011 fiscal year:

- The economic downturn, stock market decline, declining housing sales, and foreclosures have impacted fiscal operations. The historical rate of increase in taxable value of real and personal property in the County is 3 to 4 percent per year. Assessed valuations for 2010 reflected a decline in property values from the previous year, with the steepest decreases seen in residential properties. Additional decreased property values are anticipated for 2011 and 2012. We anticipate this to be followed by a period of stabilization with increases starting in approximately 2013.
- State Revenue Sharing for counties is dictated by the Legislature through the General Government Appropriations Bill that gets enacted each year. As of the date of this report the expected 2011 State Revenue Sharing for Calhoun County is approximately \$3 million, which is approximately level with 2010 funding. Proposed 2012 State Revenue Sharing is expected to be appropriated with a 24% cut to counties, which would represent a \$0.7 million decrease to the County's general fund revenues. The County's long-term operating forecast will continue to be updated to position our operations for less reliance on state funding.
- Federal and State funding of various programs county-wide continue to be considered for cuts and/or eliminations on an annual basis. This vulnerability is factored into the 2011 budget in the inclusion of contingency funds.
- Interest rates are at historically low levels which negatively affect interest earnings.
- The 2011 budget includes an expected 19% increase in employee health insurance costs. National trends in escalating healthcare insurance continue to point to a doubling of those costs over the next four to five years. This has resulted in a continual review of benefits and the implementation of strategies to control these costs.
- Inflationary trends in the region continue to compare favorably to national indices, helping to provide cost savings for many expense items compared to assumptions used during budgeting.
- The County policy is to maintain a general fund unreserved balance that is 8.0% - 12.0% of operating expenditures of the previous year. The 2011 budget was developed to include a small increase in fund balance in order to keep the balance at its current level of approximately 10% and within these policy guidelines.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The County Finance Department, 315 West Green Street, Marshall, Michigan 49068.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Assets

December 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 10,970,204	\$ 9,355,485	\$ 20,325,689	\$ 645,775
Receivables, net	9,569,920	15,668,695	25,238,615	11,689,222
Internal balances	(172,786)	172,786	-	-
Due from component unit	255,829	-	255,829	-
Prepaid items and other assets	721,373	179,928	901,301	747,683
Capital assets not being depreciated	8,181,006	-	8,181,006	25,703,350
Capital assets being depreciated, net	29,586,235	17,207,671	46,793,906	24,475,327
Total assets	59,111,781	42,584,565	101,696,346	63,261,357
Liabilities				
Accounts payable and accrued liabilities	4,172,050	1,305,817	5,477,867	2,316,886
Unearned revenue	3,013,593	904,362	3,917,955	-
Due to primary government	-	-	-	255,829
Long-term liabilities:				
Due within one year	878,965	1,150,000	2,028,965	1,748,150
Due in more than one year	14,080,268	7,100,000	21,180,268	9,248,615
Other noncurrent liability - net other postemployment benefit liability	2,417,315	-	2,417,315	167,524
Total liabilities	24,562,191	10,460,179	35,022,370	13,737,004
Net assets				
Invested in capital assets, net of related debt	25,936,451	9,857,671	35,794,122	46,222,079
Restricted for:				
Debt service	-	9,454,808	9,454,808	-
Foreclosures	-	1,799,775	1,799,775	-
Judicial programs	226,905	-	226,905	-
Public safety programs	254,986	-	254,986	-
Health and welfare programs	3,264,069	-	3,264,069	-
Recreation and cultural programs	257,452	-	257,452	-
Other programs	16,667	-	16,667	-
Specific operating activities	-	591,371	591,371	-
Perpetual care - nonexpendable	36,546	-	36,546	-
Unrestricted	4,556,514	10,420,761	14,977,275	3,302,274
Total net assets	\$ 34,549,590	\$ 32,124,386	\$ 66,673,976	\$ 49,524,353

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 250,890	\$ -	\$ -	\$ -	\$ (250,890)
Judicial	12,833,338	3,985,650	3,239,834	-	(5,607,854)
General government	8,532,341	1,616,231	4,431,769	-	(2,484,341)
Public safety	20,117,862	7,177,247	2,075,012	-	(10,865,603)
Public works	127,581	-	-	-	(127,581)
Health and welfare	13,427,197	727,069	6,957,094	-	(5,743,034)
Recreation and cultural	1,654,434	448,453	127,579	-	(1,078,402)
Interest on long-term debt	240,443	-	-	-	(240,443)
Total governmental activities	<u>57,184,086</u>	<u>13,954,650</u>	<u>16,831,288</u>	<u>-</u>	<u>(26,398,148)</u>
Business-type activities:					
Medical Care Facility	13,231,937	12,269,852	103,277	-	(858,808)
Delinquent tax collections/forfeitures	705,342	3,072,755	-	-	2,367,413
Inmate concessions	673,988	744,102	-	-	70,114
Property description	930	-	-	-	(930)
Total business-type activities	<u>14,612,197</u>	<u>16,086,709</u>	<u>103,277</u>	<u>-</u>	<u>1,577,789</u>
Total primary government	<u>\$ 71,796,283</u>	<u>\$ 30,041,359</u>	<u>\$ 16,934,565</u>	<u>\$ -</u>	<u>\$ (24,820,359)</u>
Component units					
County Drains	\$ 308,595	\$ -	\$ 28,533	\$ 2,004,008	\$ 1,723,946
County Roads	11,806,369	1,689,046	8,141,313	987,745	(988,265)
Board of Public Works	444,031	48,730	807,538	-	412,237
Land Bank	479,638	50,024	468,482	-	38,868
Total component units	<u>\$ 13,038,633</u>	<u>\$ 1,787,800</u>	<u>\$ 9,445,866</u>	<u>\$ 2,991,753</u>	<u>\$ 1,186,786</u>

continued...

COUNTY OF CALHOUN, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2010

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (26,398,148)	\$ 1,577,789	\$ (24,820,359)	\$ 1,186,786
General revenues:				
Property taxes	22,893,128	976,111	23,869,239	-
Grants and contributions not restricted to specific programs	561,128	-	561,128	-
Unrestricted investment earnings	1,400	16,762	18,162	12
Gain on sale of capital assets	-	-	-	56,201
Transfers - internal activities	1,883,831	(1,890,000)	(6,169)	-
 Total general revenues and transfers	 25,339,487	 (897,127)	 24,442,360	 56,213
 Change in net assets	 (1,058,661)	 680,662	 (377,999)	 1,242,999
Net assets, beginning of year	35,608,251	31,443,724	67,051,975	48,281,354
Net assets, end of year	\$ 34,549,590	\$ 32,124,386	\$ 66,673,976	\$ 49,524,353

The accompanying notes are an integral part of these financial statements.

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FUND FINANCIAL STATEMENTS

COUNTY OF CALHOUN, MICHIGAN

Balance Sheet Governmental Funds December 31, 2010

	General Fund	Health Department	Senior Millage	Child Care	Capital Projects	Other Governmental Funds	Total
<u>ASSETS</u>							
Assets							
Cash and cash equivalents	\$ 1,526,278	\$ 1,335,877	\$ 971,195	\$ -	\$ 2,069,825	\$ 2,271,458	\$ 8,174,633
Receivables:							
Accounts	401,157	47,408	-	-	-	167,379	615,944
Current taxes	1,454,940	-	2,574,117	-	-	-	4,029,057
Delinquent taxes	283,463	-	51,681	-	-	13,420	348,564
Accrued interest	-	-	-	-	-	131	131
Due from other governments	2,529,939	139,538	-	526,899	104,514	931,579	4,232,469
Due from component unit	255,829	-	-	-	-	-	255,829
Due from other funds	8,130	-	-	-	-	3,442	11,572
Interfund receivable	916,890	-	-	-	-	-	916,890
Advances to component unit	76,600	-	-	-	-	-	76,600
Prepaid items	9,661	5,429	-	-	-	15,683	30,773
<u>TOTAL ASSETS</u>	\$ 7,462,887	\$ 1,528,252	\$ 3,596,993	\$ 526,899	\$ 2,174,339	\$ 3,403,092	\$ 18,692,462
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 802,850	\$ 54,996	\$ 168,220	\$ 52,706	\$ 722,476	\$ 260,018	\$ 2,061,266
Accrued payroll	578,912	54,358	-	-	-	-	633,270
Due to other governments	320,498	360,032	-	-	-	41,000	721,530
Due to other funds	-	-	-	-	-	8,606	8,606
Interfund payables	-	-	-	272,342	-	644,548	916,890
Deferred revenue	1,738,898	305,250	2,746,041	-	-	21,231	4,811,420
Total liabilities	3,441,158	774,636	2,914,261	325,048	722,476	975,403	9,152,982
Fund balances							
Reserved for advances and prepaid items	86,261	5,429	-	-	-	15,683	107,373
Reserved for perpetual care	-	-	-	-	-	36,546	36,546
Unreserved:							
Undesignated	3,935,468	748,187	682,732	201,851	-	-	5,568,238
Undesignated, reported in nonmajor:							
Special revenue funds	-	-	-	-	-	2,366,197	2,366,197
Debt service funds	-	-	-	-	-	8,079	8,079
Capital project funds	-	-	-	-	1,451,863	-	1,451,863
Permanent funds	-	-	-	-	-	1,184	1,184
Total fund balances	4,021,729	753,616	682,732	201,851	1,451,863	2,427,689	9,539,480
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 7,462,887	\$ 1,528,252	\$ 3,596,993	\$ 526,899	\$ 2,174,339	\$ 3,403,092	\$ 18,692,462

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2010

Fund balances - total governmental funds	\$ 9,539,480
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add - capital assets not being depreciated	8,181,006
Add - capital assets being depreciated	58,476,944
Deduct - accumulated depreciation	(31,394,190)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Add - deferred property taxes	1,797,827
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add - net assets of governmental activities accounted for in internal service funds	5,083,447
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Certain liabilities, such as bonds and capital leases payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deduct - bonds and capital leases payable, long-term portion	(12,676,606)
Deduct - bonds and capital leases payable, current portion	(645,000)
Add - unamortized bond issuance costs	222,733
Add - unamortized bond discount	121,626
Deduct - unamortized gain on bond refunding	(10,619)
Deduct - other postemployment benefit obligation	(2,417,315)
Deduct - compensated absences	(1,676,580)
Deduct - accrued interest on long-term liabilities	(53,163)

Net assets of governmental activities	\$ <u>34,549,590</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Health Department	Senior Millage	Child Care	Capital Projects	Other Governmental Funds	Total
Revenue							
Taxes	\$ 18,812,426	\$ -	\$ 2,863,006	\$ -	\$ -	\$ 1,303,946	\$ 22,979,378
Licenses and permits	93,879	294,500	-	-	-	14,285	402,664
Intergovernmental	4,952,000	4,027,373	-	2,071,975	384,883	4,531,889	15,968,120
Charges for services	11,001,832	200,322	-	157,583	-	585,965	11,945,702
Fines and forfeitures	886,690	-	-	-	-	26,948	913,638
Interest and rents	369	-	-	-	8,694	1,672	10,735
Other	1,969,788	5,380	7,684	-	-	336,895	2,319,747
Total revenue	37,716,984	4,527,575	2,870,690	2,229,558	393,577	6,801,600	54,539,984
Expenditures							
Current:							
Legislative	211,400	-	-	-	-	-	211,400
Judicial	8,038,744	-	-	-	-	3,896,545	11,935,289
General government	7,298,645	-	-	-	567,668	13,991	7,880,304
Public safety	15,631,942	-	-	-	-	2,228,436	17,860,378
Public works	127,581	-	-	-	-	-	127,581
Health and welfare	922,021	5,145,631	2,653,224	4,200,849	-	528,531	13,450,256
Recreation and cultural	-	-	-	-	-	1,732,052	1,732,052
Other	113,294	-	-	-	-	305	113,599
Debt service:							
Principal	18,717	-	-	-	70,877	375,000	464,594
Interest and fiscal charges	669	-	-	-	60,009	220,276	280,954
Bond issuance costs	-	-	-	-	84,761	-	84,761
Capital outlay	40,694	20,935	-	-	7,719,722	37,617	7,818,968
Total expenditures	32,403,707	5,166,566	2,653,224	4,200,849	8,503,037	9,032,753	61,960,136
Revenue over (under) expenditures	5,313,277	(638,991)	217,466	(1,971,291)	(8,109,460)	(2,231,153)	(7,420,152)
Other financing sources (uses)							
Transfers in	4,259,797	857,175	-	1,954,412	2,086,831	2,168,373	11,326,588
Transfers out	(9,431,937)	-	-	-	-	(1,796,515)	(11,228,452)
Sale of capital assets	-	-	-	-	22,203	-	22,203
Proceeds from issuance of long-term debt	-	-	-	-	7,000,000	-	7,000,000
Discount on issuance of long-term debt	-	-	-	-	(63,000)	-	(63,000)
Proceeds from capital leases	21,147	-	-	-	238,813	-	259,960
Total other financing sources (uses)	(5,150,993)	857,175	-	1,954,412	9,284,847	371,858	7,317,299
Net change in fund balances	162,284	218,184	217,466	(16,879)	1,175,387	(1,859,295)	(102,853)
Fund balances, beginning of year	3,859,445	535,432	465,266	218,730	276,476	4,286,984	9,642,333
Fund balances, end of year	\$ 4,021,729	\$ 753,616	\$ 682,732	\$ 201,851	\$ 1,451,863	\$ 2,427,689	\$ 9,539,480

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds	\$	(102,853)
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay		7,818,968
Deduct - depreciation expense		(1,449,479)
Deduct - net book value of capital assets sold		(16,527)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Deduct - change in deferred property taxes and special assessments		(86,250)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add - principal payments on long-term liabilities		464,594
Add - bond issuance costs		84,761
Deduct - bond proceeds		(6,937,000)
Deduct - proceeds from capital leases		(259,960)
Deduct - amortization of bond discount		(7,328)
Add - Amortization of gain on refunding		1,328
Deduct - amortization of bond issuance costs		(17,246)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add - change in accrued interest on bonds		3,747
Deduct - increase in the accrual for net other postemployment benefit obligations		(632,397)
Deduct - increase in the accrual of compensated absences		(67,746)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities -

Add - interest revenue from governmental internal service funds		1,031
Deduct - net operating loss from governmental activities accounted for in internal service funds		(1,641,999)
Add - internal activities (transfers) accounted for in internal service funds		1,785,695

Change in net assets of governmental activities	\$	(1,058,661)
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Revenue					
Taxes:					
Property taxes	\$ 17,978,870	\$ 18,048,870	\$ 18,500,549	\$ 451,679	\$ 18,458,568
Industrial/commercial facilities tax	212,114	212,114	236,522	24,408	428,353
Payment in lieu of taxes	25,000	25,000	30,863	5,863	33,789
Trailer fees	14,000	14,000	16,682	2,682	15,564
Interest and fees	23,000	23,000	27,810	4,810	30,843
Total taxes	18,252,984	18,322,984	18,812,426	489,442	18,967,117
Licenses and permits:					
Dog licenses	56,000	56,000	54,080	(1,920)	52,768
Concealed weapons licenses	12,000	12,000	34,944	22,944	34,762
Marriage licenses	4,300	4,300	4,855	555	4,775
Total licenses and permits	72,300	72,300	93,879	21,579	92,305
Intergovernmental:					
Revenue Sharing	1,155,747	1,155,747	2,236,074	1,080,327	-
Local grants	-	-	-	-	500
Emergency services	24,000	24,000	23,499	(501)	25,330
Circuit judges' salary	182,900	182,900	182,896	(4)	182,896
District judges' salary	182,896	182,896	183,346	450	182,896
Probate judges' salary	297,000	297,000	296,990	(10)	296,492
Sheriff	12,000	20,445	27,490	7,045	15,999
Prosecuting Attorney	6,000	6,000	6,841	841	6,535
Juvenile officer grant	52,775	52,775	52,776	1	52,775
Marine safety	32,000	43,046	11,046	(32,000)	33,888
Liquor law enforcement	8,600	8,600	9,205	605	8,642
Liquor taxes	715,316	715,316	700,202	(15,114)	678,396
Cigarette taxes	12,700	12,700	22,781	10,081	34,358
Court equity program	896,040	896,040	882,358	(13,682)	931,803
ADC incentive	260,000	260,000	269,763	9,763	220,242
Juror fee reimbursement	40,000	40,000	46,733	6,733	38,865
Total intergovernmental	3,877,974	3,897,465	4,952,000	1,054,535	2,709,617
Charges for services:					
Circuit court fees	427,000	427,000	343,736	(83,264)	398,024
District court fees	2,480,291	2,480,291	2,379,563	(100,728)	2,364,268
Friend of the court fees	151,500	151,500	155,860	4,360	172,285
Probate court fees	68,800	68,800	61,282	(7,518)	62,520
Public defender fees	95,000	95,000	90,512	(4,488)	90,920
Election fees	15,000	15,000	17,400	2,400	20,183
Clerk/register fees	817,050	817,050	782,837	(34,213)	805,943
Prosecuting attorney fees	14,000	14,000	14,785	785	25,321
Equalization fees	3,500	3,500	6,677	3,177	5,559
Treasurer fees	10,000	10,000	88,387	78,387	10,872
Survey and remonumentation	450	450	650	200	37,050
Sheriff service fees	7,580,820	7,580,820	7,029,469	(551,351)	6,963,697
Tether program	3,000	3,000	1,832	(1,168)	3,061
Collection fees	12,500	12,500	13,842	1,342	13,710
Cooperative extension fees	15,000	15,000	15,000	-	15,000
Total charges for services	11,693,911	11,693,911	11,001,832	(692,079)	10,988,413

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Revenue (continued)					
Fines and forfeitures:					
Bond forfeitures	\$ 65,000	\$ 65,000	\$ 62,163	\$ (2,837)	\$ 56,527
Ordinance fines and costs	800,000	800,000	824,527	24,527	783,134
Total fines and forfeitures	865,000	865,000	886,690	21,690	839,661
Interest and rents:					
Interest on investments	100,000	100,000	369	(99,631)	36,131
Other:					
Sale of equipment	-	-	-	-	15,246
Indirect cost reimbursements	470,584	470,584	471,875	1,291	229,702
Miscellaneous	799,904	1,374,904	1,497,913	123,009	711,590
Total other	1,270,488	1,845,488	1,969,788	124,300	956,538
Total revenue	36,132,657	36,797,148	37,716,984	919,836	34,589,782
Expenditures					
Legislative:					
Board of commissioners	202,499	202,499	211,400	8,901	225,825
Judicial:					
Circuit court	931,387	929,387	919,839	(9,548)	930,008
Circuit court - family	1,017,248	1,017,248	867,005	(150,243)	955,026
Indigent public defender	1,806,711	1,806,711	1,713,120	(93,591)	1,729,230
District court	3,549,033	3,544,613	3,540,309	(4,304)	3,604,984
Probate court	814,158	814,158	816,003	1,845	829,343
Circuit court probation	29,656	29,656	30,890	1,234	27,724
Court services	164,965	164,965	151,578	(13,387)	168,379
Total judicial	8,313,158	8,306,738	8,038,744	(267,994)	8,244,694
General government:					
Elections	181,339	181,339	170,675	(10,664)	125,490
Civil counsel	130,925	130,925	124,097	(6,828)	148,298
Clerk of the circuit court	540,654	540,654	519,956	(20,698)	526,235
Clerk/register	642,591	642,591	641,287	(1,304)	685,247
Administrator	343,684	343,684	341,892	(1,792)	335,670
Finance	486,076	486,076	492,677	6,601	493,458
Equalization	336,294	406,294	395,812	(10,482)	338,076
Personnel	292,603	292,603	296,824	4,221	279,567
Purchasing	62,339	62,339	62,444	105	60,376
Prosecuting attorney	2,328,139	2,328,139	2,302,170	(25,969)	2,400,683
Treasurer	490,659	490,659	418,859	(71,800)	527,750
Cooperative extension	186,148	186,148	184,105	(2,043)	190,444

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Expenditures (continued)					
General government (concluded):					
Water Resources commissioner	\$ 190,379	\$ 197,960	\$ 205,531	\$ 7,571	\$ 237,858
Administrative services	56,242	56,242	59,706	3,464	54,674
Planning department	31,010	31,010	30,717	(293)	31,365
Emergency services	106,421	106,421	99,724	(6,697)	95,924
Oil spill services	-	500,000	452,990	(47,010)	-
Early retirement incentive payments	-	492,000	489,342	-	-
Soil conservation district	9,337	9,337	9,337	-	10,000
Potawatomi RC&D	500	500	500	-	-
Total general government	6,415,340	7,484,921	7,298,645	(186,276)	6,541,115
Public safety:					
Sheriff - administration	646,163	646,163	628,714	(17,449)	612,247
Support service	302,255	302,255	288,467	(13,788)	305,006
Detective division	160,817	160,817	164,807	3,990	167,755
Road patrol	1,225,604	1,234,049	1,261,718	27,669	1,223,147
Pennfield contract	841,672	919,172	892,181	(26,991)	822,556
Traffic safety	382,786	382,786	362,584	(20,202)	379,634
Sheriff training	79,813	79,813	77,524	(2,289)	72,630
MDOT	9,000	9,000	-	(9,000)	8,508
Convis Township contract	74,254	74,254	72,898	(1,356)	76,977
Civil process	112,438	94,960	90,613	(4,347)	100,586
T.E.A.M.	43,372	43,372	26,670	(16,702)	24,061
CISD	69,364	69,364	69,168	(196)	71,179
Marine safety	61,516	61,516	68,352	6,836	74,261
Tether program	31,632	31,632	35,374	3,742	19,750
Corrections/jail	10,797,075	10,797,075	11,191,099	394,024	10,490,531
Community corrections - administration	253,524	253,524	257,272	3,748	237,091
Drug enforcement	-	-	15,440	15,440	54,546
Animal control	127,711	127,711	129,061	1,350	134,849
Huron-Potawatomi	-	-	-	-	70
Total public safety	15,218,996	15,287,463	15,631,942	344,479	14,875,384
Public works:					
Drain assessments	118,698	118,698	120,105	1,407	94,837
Board of public works	7,446	7,446	7,476	30	7,476
Total public works	126,144	126,144	127,581	1,437	102,313
Health and welfare:					
Substance abuse	357,658	357,658	350,101	(7,557)	339,198
Mental health	265,000	265,000	265,000	-	265,000
Medical examiner	225,356	225,356	165,083	(60,273)	224,535
Veteran's burials	33,050	33,050	17,775	(15,275)	35,400
Veteran's services	132,919	132,919	124,062	(8,857)	121,762
Total health and welfare	1,013,983	1,013,983	922,021	(91,962)	985,895

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Expenditures (concluded)					
Other - intergovernmental services	\$ (275,000)	\$ (175,000)	\$ 113,294	\$ 288,294	\$ 2,459,207
Debt Service:					
Principal	-	-	18,717	18,717	13,845
Interest and fiscal charges	-	-	669	669	1,527
Total debt service	-	-	19,386	19,386	15,372
Capital outlay	24,000	39,466	40,694	1,228	148,159
Total expenditures	31,039,120	32,286,214	32,403,707	117,493	33,597,964
Revenue over expenditures	5,093,537	4,510,934	5,313,277	802,343	991,818
Other financing sources (uses)					
Transfers in	4,148,700	4,264,100	4,259,797	(4,303)	4,987,276
Transfers out	(9,217,084)	(9,329,084)	(9,431,937)	(102,853)	(6,043,194)
Proceeds from capital leases	-	-	21,147	21,147	-
Total other financing uses	(5,068,384)	(5,064,984)	(5,150,993)	(86,009)	(1,055,918)
Net change in fund balance	25,153	(554,050)	162,284	716,334	(64,100)
Fund balance, beginning of year	3,859,445	3,859,445	3,859,445	-	3,924,045
Fund balance, end of year	\$ 3,884,598	\$ 3,305,395	\$ 4,021,729	\$ 716,334	\$ 3,859,945

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Health Department
For the Year Ended September 30, 2010
(With Comparative Actual Amounts for the Year Ended September 30, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Revenue					
Licenses and permits	\$ 257,010	\$ 257,010	\$ 294,500	\$ 37,490	\$ 289,617
Intergovernmental	3,446,582	3,826,921	4,027,373	200,452	2,568,114
Charges for services	222,688	222,688	200,322	(22,366)	208,460
Other	2,959	2,959	5,380	2,421	20,356
Total revenue	3,929,239	4,309,578	4,527,575	217,997	3,086,547
Expenditures					
Current -					
Health and welfare	4,825,652	5,164,491	5,145,631	(18,860)	3,645,660
Capital outlay	106,375	147,875	20,935	(126,940)	47,044
Total expenditures	4,932,027	5,312,366	5,166,566	(145,800)	3,692,704
Revenue over (under) expenditures	(1,002,788)	(1,002,788)	(638,991)	363,797	(606,157)
Other financing sources					
Transfers in	853,857	853,857	857,175	3,318	843,800
Net change in fund balance	(148,931)	(148,931)	218,184	367,115	237,643
Fund balance, beginning of year	535,432	535,432	535,432	-	297,789
Fund balance, end of year	\$ 386,501	\$ 386,501	\$ 753,616	\$ 367,115	\$ 535,432

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Senior Millage
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Revenue					
Taxes	\$ 2,762,000	\$ 2,762,000	\$ 2,863,006	\$ 101,006	\$ 2,778,534
Interest and rents	9,000	9,000	-	(9,000)	7,119
Other	400	400	7,684	7,284	1,269
Total revenue	2,771,400	2,771,400	2,870,690	99,290	2,786,922
Expenditures					
Current -					
Health and welfare	2,783,841	2,783,841	2,653,224	(130,617)	2,794,808
Revenue over (under) expenditures	(12,441)	(12,441)	217,466	229,907	(7,886)
Other financing sources					
Transfers in	-	-	-	-	5,588
Net change in fund balance	(12,441)	(12,441)	217,466	229,907	(2,298)
Fund balance, beginning of year	465,266	465,266	465,266	-	467,564
Fund balance, end of year	\$ 452,825	\$ 452,825	\$ 682,732	\$ 229,907	\$ 465,266

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Child Care

For the Year Ended December 31, 2010

(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2009
Revenue					
Intergovernmental	\$ 2,278,509	\$ 2,278,509	\$ 2,071,975	\$ (206,534)	\$ 2,175,184
Charges for services	114,792	114,792	157,583	42,791	130,966
Total revenue	2,393,301	2,393,301	2,229,558	(163,743)	2,306,150
Expenditures					
Current -					
Health and welfare	5,031,815	5,040,325	4,200,849	(839,476)	4,562,161
Capital outlay	-	-	-	-	24,960
Total expenditures	5,031,815	5,040,325	4,200,849	(839,476)	4,587,121
Revenue under expenditures	(2,638,514)	(2,647,024)	(1,971,291)	675,733	(2,280,971)
Other financing sources					
Transfers in	2,428,294	2,428,294	1,954,412	(473,882)	2,338,644
Net change in fund balance	(210,220)	(218,730)	(16,879)	201,851	57,673
Fund balance, beginning of year	218,730	218,730	218,730	-	161,057
Fund balance, end of year	\$ 8,510	\$ -	\$ 201,851	\$ 201,851	\$ 218,730

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Assets

Proprietary Funds

December 31, 2010

	Business-type Activities				Governmental
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	Activities- Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 512,299	\$ 8,642,021	\$ 201,165	\$ 9,355,485	\$ 2,795,571
Receivables:					
Accounts, net	1,705,219	531,416	-	2,236,635	259,571
Property taxes	863,977	-	-	863,977	-
Property taxes-delinquent	-	9,532,363	-	9,532,363	-
Accrued interest	-	2,549,754	-	2,549,754	-
Due from other governments	-	352,767	-	352,767	7,584
Due from other funds	-	-	-	-	15,588
Advances to other funds	-	191,340	-	191,340	-
Advances to component units	-	133,199	-	133,199	-
Inventory	-	-	-	-	3,167
Prepaid items	179,928	-	-	179,928	464,700
Total current assets	3,261,423	21,932,860	201,165	25,395,448	3,546,181
Capital assets, net	17,156,912	49,364	1,395	17,207,671	2,503,481
Total assets	20,418,335	21,982,224	202,560	42,603,119	6,049,662
Liabilities					
Current liabilities:					
Accounts payable	298,002	-	102,854	400,856	155,051
Accrued payroll	177,676	57,021	-	234,697	-
Claims payable	-	-	-	-	547,770
Other accrued liabilities	549,283	-	-	549,283	-
Due to other governments	-	120,981	-	120,981	-
Due to other funds	-	18,554	-	18,554	-
Advance from other funds	-	-	-	-	191,340
Unearned revenue	904,362	-	-	904,362	-
Tax notes payable	-	900,000	-	900,000	-
Current portion of bonds payable	250,000	-	-	250,000	-
Current portion of capital leases payable	-	-	-	-	55,964
Total current liabilities	2,179,323	1,096,556	102,854	3,378,733	950,125
Long-term liabilities:					
Bonds payable	7,100,000	-	-	7,100,000	-
Capital leases payable	-	-	-	-	16,090
Total long-term liabilities	7,100,000	-	-	7,100,000	16,090
Total liabilities	9,279,323	1,096,556	102,854	10,478,733	966,215
Net assets					
Invested in capital assets, net of related debt	9,806,912	49,364	1,395	9,857,671	2,431,427
Restricted for debt service	-	9,454,808	-	9,454,808	-
Restricted for foreclosures	-	1,799,775	-	1,799,775	-
Restricted for specific operating activities	34,056	557,315	-	591,371	-
Unrestricted	1,298,044	9,024,406	98,311	10,420,761	2,652,020
Total net assets	\$ 11,139,012	\$ 20,885,668	\$ 99,706	\$ 32,124,386	\$ 5,083,447

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Operating revenue					
Charges for services	\$ 12,269,852	\$ -	\$ 744,102	\$ 13,013,954	\$ 9,035,905
Interest on taxes	-	1,775,605	-	1,775,605	-
Administrative fees and penalties	-	1,297,150	-	1,297,150	-
Other revenue	103,277	-	-	103,277	100,936
Total operating revenue	12,373,129	3,072,755	744,102	16,189,986	9,136,841
Operating expenses					
Personnel services / administration	7,115,934	621,497	-	7,737,431	127,977
Cost of services	-	-	-	-	10,264,211
Depreciation	743,556	19,351	930	763,837	386,652
Other	5,071,216	-	673,988	5,745,204	-
Total operating expenses	12,930,706	640,848	674,918	14,246,472	10,778,840
Operating income (loss)	(557,577)	2,431,907	69,184	1,943,514	(1,641,999)
Nonoperating revenue (expense)					
Property taxes	976,111	-	-	976,111	-
Interest revenue	256	16,506	-	16,762	1,031
Interest and fiscal charges	(301,231)	(64,494)	-	(365,725)	-
Total nonoperating revenue	675,136	(47,988)	-	627,148	1,031
Income (loss) before transfers	117,559	2,383,919	69,184	2,570,662	(1,640,968)
Transfers					
Transfers in	-	-	-	-	2,554,215
Transfers out	-	(1,740,000)	(150,000)	(1,890,000)	(768,520)
Total transfers	-	(1,740,000)	(150,000)	(1,890,000)	1,785,695
Change in net assets	117,559	643,919	(80,816)	680,662	144,727
Net assets, beginning of year	11,021,453	20,241,749	180,522	31,443,724	4,938,720
Net assets, end of year	\$ 11,139,012	\$ 20,885,668	\$ 99,706	\$ 32,124,386	\$ 5,083,447

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Cash flows from operating activities					
Cash received from customers	\$ 12,179,041	\$ 15,546,311	\$ 828,444	\$ 28,553,796	\$ -
Cash received from interfund services	-	-	-	-	8,891,874
Cash payments to suppliers	(5,302,195)	(14,809,535)	(614,741)	(20,726,471)	(10,222,679)
Cash payments to employees	(7,087,255)	-	-	(7,087,255)	(969,664)
Net cash provided by (used in) operating activities	(210,409)	736,776	213,703	740,070	(2,300,469)
Cash flows from noncapital financing activities					
Property taxes	976,111	-	-	976,111	-
Cash received on advances to other funds	-	26,791	-	26,791	-
Transfers in	-	-	-	-	2,554,215
Transfers (out)	-	(1,740,000)	(150,000)	(1,890,000)	(768,520)
Tax notes issued	-	6,000,000	-	6,000,000	-
Tax notes redeemed	-	(5,300,000)	-	(5,300,000)	-
Net cash provided by (used in) noncapital financing activities	976,111	(1,013,209)	(150,000)	(187,098)	1,785,695
Cash flows from capital and related financing activities					
Purchase of capital assets	(125,867)	(35,270)	-	(161,137)	(133,036)
Bond and capital lease payments	(250,000)	-	-	(250,000)	(78,915)
Interest on long-term debt	(301,231)	(64,494)	-	(365,725)	-
Net cash used in capital and related financing activities	(677,098)	(99,764)	-	(776,862)	(211,951)
Cash flows from investing activities					
Sale of investments	-	3,502,453	-	3,502,453	-
Interest received	256	16,506	-	16,762	1,031
Net cash provided by investing activities	256	3,518,959	-	3,519,215	1,031
Net increase (decrease) in cash and cash equivalents	88,860	3,142,762	63,703	3,295,325	(725,694)
Cash and cash equivalents, beginning of year	423,439	5,499,259	137,462	6,060,160	3,521,265
Cash and cash equivalents, end of year	\$ 512,299	\$ 8,642,021	\$ 201,165	\$ 9,355,485	\$ 2,795,571

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (557,577)	\$ 2,431,907	\$ 69,184	\$ 1,943,514	\$ (1,641,999)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:					
Depreciation	743,556	19,351	930	763,837	386,652
Changes in assets and liabilities:					
Accounts receivable	(176,188)	(170,551)	84,342	(262,397)	(240,295)
Due from other governments	-	217,716	-	217,716	10,916
Due from other funds	-	(107,970)	-	(107,970)	(15,588)
Property taxes receivable	(17,900)	(1,177,088)	-	(1,194,988)	-
Accrued interest receivable	-	(436,682)	-	(436,682)	-
Inventory	-	-	-	-	1,139
Prepaid items	(22,225)	-	-	(22,225)	(85,708)
Accounts payable	(229,520)	(48,045)	59,247	(218,318)	(58,689)
Accrued payroll	28,679	-	-	28,679	-
Claims payable	-	-	-	-	(619,156)
Other accrued liabilities	13,790	-	-	13,790	-
Due to other governments	-	5,302	-	5,302	-
Due to other funds	-	2,836	-	2,836	(26,791)
Unearned revenue	6,976	-	-	6,976	(10,950)
Net cash provided by (used in) operating activities	\$ (210,409)	\$ 736,776	\$ 213,703	\$ 740,070	\$ (2,300,469)

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 155,382	\$ 1,714,050
Investments -		
Mutual and cash management funds	13,701,701	-
Accounts receivable	-	25,075
Due from other governmental units	<u> </u>	<u>32,880</u>
<u>TOTAL ASSETS</u>	<u>13,857,083</u>	<u><u>\$ 1,772,005</u></u>
 Liabilities		
Accounts payable	30,000	\$ 172,424
Due to individuals and agencies	-	1,015,406
Due to other governments	<u> </u>	<u>584,175</u>
Total liabilities	<u>30,000</u>	<u><u>\$ 1,772,005</u></u>
 Net assets held in trust for		
Retirement benefits	13,780,509	
Employee benefits	<u>46,574</u>	
Total net assets	<u><u>\$ 13,827,083</u></u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Changes in Plan Net Assets
Pension Trust Funds
For the Year Ended December 31, 2010

Additions:

Investment income:	
Change in fair value of investments	\$ 1,477,490
Interest	213,111
Total investment income	<u>1,690,601</u>
Contributions:	
Employer	883,337
Plan members	1,407,210
Total contributions	<u>2,290,547</u>
Total additions	<u>3,981,148</u>

Deductions:

Pension benefits paid to participants	599,343
Actuarial fees	22,217
Refunds	242,354
Employee reimbursements	<u>214,218</u>
Total deductions	<u>1,078,132</u>
Net increase	2,903,016

Net assets held in trust for pension and employee benefits

Beginning of year	<u>10,924,067</u>
End of year	<u><u>\$ 13,827,083</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2010

	Water Resources Commission	Road Commission	Board of Public Works	Land Bank Authority	Total
Assets					
Cash and cash equivalents	\$ 61,254	\$ 195,796	\$ 33,467	\$ 355,258	\$ 645,775
Receivables, net	2,719,349	1,413,620	7,049,853	8,000	11,190,822
Due from other governments	-	-	-	498,400	498,400
Property inventory	-	-	-	126,964	126,964
Prepaid items and other assets	-	620,719	-	-	620,719
Capital assets not being depreciated	-	25,703,350	-	-	25,703,350
Capital assets being depreciated, net	5,348,490	19,126,837	-	-	24,475,327
Total assets	8,129,093	47,060,322	7,083,320	988,622	63,261,357
Liabilities					
Accounts payable and accrued liabilities	273,134	1,318,339	61,148	454,466	2,107,087
Advances from primary government	76,600	-	-	133,199	209,799
Due to primary government	255,829	-	-	-	255,829
Net other postemployment benefit liability	-	167,524	-	-	167,524
Long-term liabilities:					
Due within one year	719,872	403,278	625,000	-	1,748,150
Due in more than one year	1,652,554	1,291,061	6,305,000	-	9,248,615
Total liabilities	2,977,989	3,180,202	6,991,148	587,665	13,737,004
Net assets					
Invested in capital assets, net of related debt	2,976,064	43,246,015	-	-	46,222,079
Unrestricted	2,175,040	634,105	92,172	400,957	3,302,274
Total net assets	\$ 5,151,104	\$ 43,880,120	\$ 92,172	\$ 400,957	\$ 49,524,353

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2010

	Water Resources Commission	Road Commission	Board of Public Works	Land Bank Authority	Total
Expenses					
County Drains	\$ 308,595	\$ -	\$ -	\$ -	\$ 308,595
County Roads	-	11,806,369	-	-	11,806,369
Public Works	-	-	444,031	-	444,031
Land Bank	-	-	-	479,638	479,638
Total expenses	308,595	11,806,369	444,031	479,638	13,038,633
Program revenues					
Charges for services	-	1,689,046	48,730	50,024	1,787,800
Operating grants and contributions	28,533	8,141,313	807,538	-	8,977,384
Capital grants and contributions	2,004,008	987,745	-	-	2,991,753
Total program revenues	2,032,541	10,818,104	856,268	50,024	13,756,937
Net revenue (expense)	1,723,946	(988,265)	412,237	(429,614)	718,304
General revenues					
Intergovernmental revenue	-	-	-	468,482	468,482
Unrestricted investment earnings	-	-	12	-	12
Gain on sale of capital assets	-	-	-	56,201	56,201
Total general revenues	-	-	12	524,683	524,695
Change in net assets	1,723,946	(988,265)	412,249	95,069	1,242,999
Net assets (deficit), beginning of year	3,427,158	44,868,385	(320,077)	305,888	48,281,354
Net assets, end of year	<u>\$ 5,151,104</u>	<u>\$ 43,880,120</u>	<u>\$ 92,172</u>	<u>\$ 400,957</u>	<u>\$ 49,524,353</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

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Notes to the Financial Statements

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COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Calhoun, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of approximately 710 square miles in southern lower Michigan. The County operates under a 7-member elected Board of Commissioners and an appointed County Administrator/Controller. The County seat is located in the City of Marshall.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

Calhoun County Building Authority - The Building Authority is governed by a three-member board appointed by the Calhoun County Board of Commissioners. Its sole function is to oversee the financing and construction, if any, of the County’s public buildings; therefore, it is reported as if it were part of the primary government. It has been reported as a debt service fund.

Discretely Presented Component Units

Calhoun County Water Resources Commission (the “Water Resources Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956, as amended, are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 20 drainage districts consists of the Water Resources Commissioner, the Chair of the County Board of Commissioners and one other member of the County Board of Commissioners.

The County Water Resources Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or water resources commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of a drainage district, which results in potential financial burden to the County.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Also, pursuant to the Inland Lake Level Act of 1961, after the Circuit Court of the County establishes a lake level, the Water Resources Commissioner has the responsibility to maintain that level with control structures and/or pumps. The Water Resources Commissioner may issue debt and levy special assessments to defray the expenses required to maintain the Court ordered lake levels.

Calhoun County Road Commission (the “Road Commission”) - The Road Commission, established pursuant to State statute, is governed by a five-member board appointed by the County. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy as well as reported by the Road Commission.

Calhoun County Board of Public Works (the “BPW”) - The BPW is governed by a three-member board appointed by the County. It is responsible for administering various public works construction projects and the associated debt service funds under the provisions of Act 195, Public Acts of 1957, as amended, as well as an internal service (i.e., “revolving”) fund. All of the BPW’s contractual agreements, including construction project bond issuances, require County approval.

Calhoun County Land Bank Authority (the “Land Bank Authority”) - The Land Bank Authority is a public corporation, organized pursuant to Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Calhoun County Treasurer. The Land Bank Authority is governed by a seven-member board including the Calhoun County Treasurer, who is, by law, its Chairperson, and six other members appointed by the County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

Complete financial statements for each of the following discretely presented component units may be obtained at the entity’s administrative offices.

Calhoun County Road Commission

13300 Fifteen Mile Road
Marshall, Michigan 49068

Calhoun County Board of Public Works

13300 Fifteen Mile Road
Marshall, Michigan 49068

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Calhoun County Land Bank Authority

315 W. Green Street

Marshall, Michigan 49068

A separate, stand-alone report is not issued for the Calhoun County Water Resources Commission.

Funds With Other Year Ends – The financial statements of the Health Department special revenue fund are presented in the accompanying financial statements using its fiscal year end of September 30, 2010.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, State revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *health department fund* accounts for the activities of delivering health services to residents.

The *senior millage special revenue fund* accounts for the activities of providing senior citizen services where financing is provided by a County tax levy.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The *child care special revenue fund* accounts for the in-home-care programs and out-of-home child care of children where the financing is provided by state grants and County appropriations.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The County reports the following major proprietary funds:

The *medical care facility fund* is used to account for the operation of the Calhoun County Medical Care Facility. Financing is provided through charges for services, Medicare and Medicaid reimbursements, and general fund appropriations.

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Debt service funds account for the servicing of long-term debt not being financed by proprietary funds.

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's cemetery.

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services (such as building and grounds care, administrative services, insurance, and employee benefits) to other departments or agencies of the County on a cost-reimbursement basis.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The *pension trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust funds account for the assets of the County's defined benefit pension plan and the Flexible Benefit Plan.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

2. *Receivables and payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds or component units are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e. – those reported in the Water Resources Commission and Road Commission component units), the component units each chose to include all items retroactively to 1980.

Capital assets of the primary government and Water Resources Commission component unit are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Drain and lake level infrastructure	50
Vehicles	3-20
Equipment	5-10

Capital assets in the Road Commission discretely presented component unit are depreciated as follows:

<u>Assets</u>	<u>Methods</u>	<u>Useful Lives- Years</u>
Buildings and improvements	Straight-line	40
Road equipment	Sum of years-digits	5-8
Other equipment	Straight-line	5-8
Infrastructure	Straight-line	8-50

5. *Compensated absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave as it does not vest. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

6. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, governmental activities report net assets restricted for programs, which represent amounts restricted by federal and state mandates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. Prior to December 31, the proposed budget is presented to the County Board of Commissioners for review, public hearings and eventual adoption through passage of an annual budget ordinance.

The appropriated budget is prepared by fund, function and activity for the General Fund and by fund and function for the special revenue funds. The government's administrator may make transfers of appropriations less than or equal to \$20,000 between General Fund activities and between special revenue fund functions. Transfers of appropriations between General Fund activities or special revenue fund functions greater than \$20,000 require the approval of the Board of Commissioners. The legal level of budgetary control is the activity level for the General Fund and the function level for the special revenue funds. The Board of Commissioners made several supplemental budgetary appropriations during the year which were not considered material.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

B. Excess of expenditures over appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2010, the following activities of the General Fund had expenditures in excess of appropriations as follows:

	Amended Budget	Actual	Variance
General Fund:			
Legislative -			
Board of commissioners	\$ 202,499	\$ 211,400	\$ 8,901
Judicial:			
Probate court	814,158	816,003	1,845
Circuit court probation	29,656	30,890	1,234
General government:			
Finance	486,076	492,677	6,601
Personnel	292,603	296,824	4,221
Purchasing	62,339	62,444	105
Water Resources commissioner	197,960	205,531	7,571
Administrative services	56,242	59,706	3,464
Public safety:			
Detective division	160,817	164,807	3,990
Road patrol	1,234,049	1,261,718	27,669
Marine safety	61,516	68,352	6,836
Tether program	31,632	35,374	3,742
Corrections/jail	10,797,075	11,191,099	394,024
Community corrections - administration	253,524	257,272	3,748
Drug enforcement	-	15,440	15,440
Animal control	127,711	129,061	1,350
Public works -			
Drain assessment	118,698	120,105	1,407
Board of public works	7,446	7,476	30
Sheriff -			
Public safety	778,736	809,964	31,228
Law Library -			
Judicial	34,400	34,758	358
Federal and state grant:			
Public safety	13,756	14,405	649
Health and welfare	51,489	51,894	405
Capital outlay	-	14,966	14,966
MSU cooperative extention -			
Recreation and cultural	12,000	12,358	358
Human services -			
Health and welfare	351,441	459,973	108,532
Veterans' Trust -			
Health and welfare	12,000	12,824	824
Employee benefits -			
General government	-	13,991	13,991
Other - intergovernmental services	(175,000)	113,294	288,294
Debt service - principal;	-	18,717	18,717
Debt service - interest and fiscal charges	-	669	669
Capital outlay	39,466	40,694	1,228
Transfers out	9,329,084	9,431,937	102,853

These over expenditures were covered by available fund balance.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

C. Fund deficit

The County Drain Fund of the Water Resources Commission component unit has a fund balance deficit of \$\$474,260 as of December 31, 2010. The Water Resources Commission plans to eliminate this deficit in 2011 through special assessment levies.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2010:

Statement of Net Assets:

Primary government -	
Cash and cash equivalents	\$ 20,325,689
Component units -	
Cash and cash equivalents	645,775

Statement of Fiduciary Net Assets

Pension trust funds:	
Cash and cash equivalents	155,382
Investments	13,701,701
Agency fund -	
Cash and cash equivalents	<u>1,714,050</u>

Total \$ 36,542,597

Deposits and investments:

Bank deposits	\$ 22,662,055
Investments	133,742
Investments – pension trust funds	13,701,701
Cash on hand	<u>45,099</u>

Total \$ 36,542,597

The County chooses to disclose its investments by specifically identifying each. As of year end, the County had the following investments.

	Carrying Amount (Fair Value)	Credit Rating
Investment:		
Governmental money market:		
Bank of America	\$ 23,039	AAAm (S&P)
Comerica Bank	<u>110,703</u>	Not rated
	<u><u>\$ 133,742</u></u>	

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy limits investment maturities of commercial paper to 270 days as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the County's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. At year end, the carrying amount of the County's deposits was \$22,662,055. As of year end, \$21,681,496 of the combined bank balance of \$23,191,645 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

B. Investments – Pension Trust Fund

The investments of the County's pension trust fund are maintained separately from the County's investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the pension investments are presented separately.

The Public Employee Retirement System Investment Act, State of Michigan Public Act 314 of 1965, as amended, authorizes the pension trust fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Plan's investment policy authorizes the pension trust fund to invest in time, savings and money market deposit accounts, certain government and debt securities, commercial paper, and certain debt and equity mutual funds. The retirement board has the responsibility and authority to oversee the investment portfolio. All investment decisions are subject to Michigan law and the investment policy established by the retirement board.

The investments of the pension trust fund are held in a bank-administered trust fund. Following is a summary of the pension investments as of December 31, 2010:

**Investments at fair value, as determined by
quoted market price:**

Equity securities -	
Open end mutual funds	\$ 8,253,663
Debt securities:	
Corporate bond mutual funds	2,459,077
Bond mutual funds	2,509,953
Mutual and cash management funds	<u>479,008</u>
Total	<u>\$ 13,701,701</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy provides that investments in commercial paper be rated P1 by Moody's or A1 by Standard & Poor's and corporate debt issues (bonds, notes, debentures) be rated in the highest two categories by either Moody's Standard & Poor's, or Fitch's Manual. None of the County's pension investments were rated.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan's investment policy does not specifically address custodial credit risk. Although uninsured and unregistered, the Plan's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the Plan's name. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy does not specifically limit the amount of the Plan's investments in a single issuer.

As of December 31, 2010, the Plan's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>% of Portfolio</u>	<u>Amount</u>
Equity securities:		
Mainstay Large Cap Growth Fund	5.15%	\$ 680,726
MFS Value Fund	10.27%	1,357,450
Wells Fargo Advantage Intrinsic	5.09%	672,972
Wells Fargo Advantage Capital Growth Fund	10.26%	1,356,496
Wells Fargo Advantage Equity Value Fund	5.38%	711,233
Wells Fargo Advantage Growth Fund	5.11%	676,244
Debt securities:		
Federated Bond	11.00%	1,454,620
Metropolitan West FDS	7.60%	1,004,457
Wells Fargo Advantage	18.98%	2,509,953

C. Receivables

Receivables in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes	\$ 4,377,621	\$ 10,396,340
Accounts	875,515	2,236,635
Due from other governments	4,240,053	352,767
Advance to component unit	76,600	133,199
Accrued interest	<u>131</u>	<u>2,549,754</u>
	<u>\$ 9,569,920</u>	<u>\$ 15,668,695</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (current)	\$ 1,454,940	\$ 2,695,056
Property taxes receivable (delinquent)	342,887	-
Grant drawdowns prior to meeting all eligibility requirements and fees received in advance of being earned	-	318,537
	<u>\$ 1,797,827</u>	<u>\$ 3,013,593</u>

D. Capital assets

Capital assets activity for the year ended December 31, 2010 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,266,264	\$ -	\$ -	\$ 1,266,264
Construction in process	-	6,914,742	-	6,914,742
Total capital assets not being depreciated	1,266,264	6,914,742	-	8,181,006
Capital assets being depreciated:				
Buildings and improvements	49,003,522	249,634	-	49,253,156
Equipment and furniture	15,877,463	527,668	395,017	16,010,114
Vehicles	1,864,250	259,957	629,995	1,494,212
Total capital assets, being depreciated	66,745,235	1,037,259	1,025,012	66,757,482
Less accumulated depreciation for:				
Buildings and improvements	20,417,905	1,085,660	-	21,503,565
Equipment and furniture	14,342,230	624,235	395,017	14,571,448
Vehicles	1,583,466	126,236	613,468	1,096,234
Total accumulated depreciation	36,343,601	1,836,131	1,008,485	37,171,247
Total capital assets being depreciated, net	30,401,634	(798,872)	16,527	29,586,235
Governmental activities capital assets, net	<u>\$ 31,667,898</u>	<u>\$ 6,115,870</u>	<u>\$ 16,527</u>	<u>\$ 37,767,241</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets being depreciated:				
Land improvements	\$ 251,261	\$ -	\$ -	\$ 251,261
Buildings and improvements	21,545,079	95,083	-	21,640,162
Equipment and furniture	2,883,638	66,054	-	2,949,692
Total capital assets being depreciated:	<u>24,679,978</u>	<u>161,137</u>	<u>-</u>	<u>24,841,115</u>
Less accumulated depreciation for:				
Land improvements	94,658	10,519	-	105,177
Buildings and improvements	4,772,837	530,399	-	5,303,236
Equipment and furniture	2,002,112	222,919	-	2,225,031
Total accumulated depreciation:	<u>6,869,607</u>	<u>763,837</u>	<u>-</u>	<u>7,633,444</u>
Total capital assets being depreciated, net	<u>17,810,371</u>	<u>(602,700)</u>	<u>-</u>	<u>17,207,671</u>
Total capital assets, net	<u>\$ 17,810,371</u>	<u>\$ (602,700)</u>	<u>\$ -</u>	<u>\$ 17,207,671</u>

Component Unit – Water Resources Commission

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated -				
Infrastructure	\$ 5,084,358	\$ 1,276,211	\$ -	\$ 6,360,569
Less accumulated depreciation	<u>910,392</u>	<u>101,687</u>	<u>-</u>	<u>1,012,079</u>
Total capital assets, net	<u>\$ 4,173,966</u>	<u>\$ 1,174,524</u>	<u>\$ -</u>	<u>\$ 5,348,490</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Component Unit – Road Commission

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 284,292	\$ -	\$ -	\$ 284,292
Land improvements - infrastructure	25,033,890	385,168	-	25,419,058
Total capital assets not being depreciated	<u>25,318,182</u>	<u>385,168</u>	<u>-</u>	<u>25,703,350</u>
Capital assets being depreciated:				
Land improvements	72,387	-	-	72,387
Buildings and improvements	1,746,261	30,535	-	1,776,796
Road equipment	9,153,947	819,264	-	9,973,211
Shop equipment	280,313	31,399	-	311,712
Office equipment	525,318	20,866	-	546,184
Engineers' equipment	76,115	-	-	76,115
Yard and storage	827,292	134,748	-	962,040
Depletable assets	147,667	-	705	146,962
Infrastructure - roads and signals	35,883,770	665,542	-	36,549,312
Infrastructure - bridges	8,236,733	13,290	-	8,250,023
Total capital assets being depreciated	<u>56,949,803</u>	<u>1,715,644</u>	<u>705</u>	<u>58,664,742</u>
Less accumulated depreciation for:				
Buildings and improvements	1,629,629	22,061	-	1,651,690
Equipment	9,940,066	244,932	-	10,184,998
Depletable assets	112,544	-	705	111,839
Infrastructure - roads and signals	22,529,475	1,413,780	-	23,943,255
Infrastructure - bridges	3,391,372	254,751	-	3,646,123
Total accumulated depreciation	<u>37,603,086</u>	<u>1,935,524</u>	<u>705</u>	<u>39,537,905</u>
Total capital assets being depreciated, net	<u>19,346,717</u>	<u>(219,880)</u>	<u>-</u>	<u>19,126,837</u>
Total capital assets, net	<u>\$ 44,664,899</u>	<u>\$ 165,288</u>	<u>\$ -</u>	<u>\$ 44,830,187</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Legislative	\$ 3,362
Judicial	272,406
General government	115,955
Public safety	845,181
Health and welfare	157,050
Recreation and culture	55,525
Capital assets held by the government's internal service funds are charged to the various functions bases on usage of the assets	<u>386,652</u>

Total depreciation expense - governmental activities \$ 1,836,131

Business-type activities:

Medical Care Facility	\$ 743,556
Delinquent Tax Collection	19,351
Property Description	<u>930</u>

Total depreciation expense - business-type activities \$ 763,837

Depreciation expense was charged to the Public Works function in the year 2010 for the Water Resources Commission and Road Commission component units.

E. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable	\$ 2,216,717	\$ 400,856
Accrued payroll	633,270	234,697
Other accrued liabilities	-	549,283
Claims incurred but not reported	547,770	-
Due to other governments	721,530	120,981
Accrued interest on long-term debt	<u>53,163</u>	<u>-</u>
Total	<u><u>\$ 4,172,450</u></u>	<u><u>\$ 1,305,817</u></u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

F. Interfund receivables, payables and transfers

The Delinquent Tax Revolving Enterprise fund has made long-term advances to the Building and Grounds Internal Service fund in the amount of \$191,340

In addition, nonmajor governmental funds with negative balances in the County's pooled cash accounts of \$916,890 reported interfund payables, which are equal to the interfund receivable of \$916,890 reported in the General Fund.

Interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At December 31, 2010, due to/due from other funds consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
Due from/to other funds:		
General Fund	\$ 8,130	\$ -
Nonmajor Governmental Funds	3,442	8,606
Internal Service Fund	15,588	
Delinquent Tax Revolving	-	18,554
	<u>\$ 27,160</u>	<u>\$ 27,160</u>

For the year ended December 31, 2010, interfund transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,259,797	\$ 9,431,937
Health Department	857,175	-
Child Care	1,954,412	-
Capital Projects	2,086,831	-
Nonmajor Governmental Funds	2,168,373	1,796,515
Internal Service Funds	2,554,215	768,520
Delinquent Tax Revolving Fund	-	1,740,000
Nonmajor Enterprise Fund	-	150,000
	13,880,803	13,886,972
Adjustments for different fiscal year end:		
Health Department FYE 9/30/2010	6,169	-
Total	<u>\$ 13,886,972</u>	<u>\$ 13,886,972</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. Capital leases

The government has entered into sixteen lease agreements for financing the acquisition of phone equipment, computer equipment, and vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital asset:		
Equipment and furniture	\$ 423,840	\$ -
Vehicles	421,398	22,504
Less accumulated depreciation for:		
Equipment and furniture	(341,942)	-
Vehicles	<u>(151,973)</u>	<u>(15,753)</u>
Total	<u>\$ 351,323</u>	<u>\$ 6,751</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010, were as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2011	\$ 135,660
2012	91,625
2013	27,626
2014	<u>24,103</u>
Total minimum lease payments	279,014
Less: amount representing interest	<u>(25,354)</u>
Present value of minimum lease payments	<u>\$ 253,660</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

H. Long-term debt

Primary government

Governmental activities

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Installments</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities:			
County Building Authority – refunding bonds of \$6,855,000	\$390,000 to 580,000	3.00 to 4.125%	\$ 6,140,000
Recovery zone economic development bonds of \$7,000,000	\$255,000 to 455,000	1.500 to 6.550%	<u>7,000,000</u>
			<u>\$13,140,000</u>

Annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 645,000	\$ 586,233	\$ 1,231,233
2012	660,000	570,000	1,230,000
2013	670,000	552,065	1,222,065
2014	705,000	531,465	1,236,465
2015	720,000	508,410	1,228,410
2016-2020	3,850,000	2,113,057	5,963,057
2021-2025	3,385,000	1,201,522	4,586,522
2026-2030	2,050,000	494,526	2,544,526
2031	455,000	14,901	469,901
	<u>\$ 13,140,000</u>	<u>\$ 6,572,179</u>	<u>\$ 19,712,179</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Business-type activities

Delinquent tax notes. The government issues delinquent tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the proprietary funds (i.e., Delinquent Tax Revolving Enterprise Fund) as they are expected to be repaid from proprietary fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed three years. Delinquent tax notes outstanding at December 31, 2010, are as follows:

<u>Series</u>	<u>Amount</u>
2010 - \$6,000,000 G.O. Limited Tax Notes payable, dated April 28, 2010, due 1/18/11	<u>\$ 900,000</u>

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Installments</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities: County Building Authority – \$8,000,000 issue for Medical Care Facility improvements	\$250,000 to 700,000	3.70 to 4.00%	<u>\$ 7,350,000</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for business type activities general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2011	\$ 250,000	\$ 283,975	\$ 533,975
2012	300,000	272,975	572,975
2013	300,000	260,975	560,975
2014	350,000	247,975	597,975
2015	350,000	233,975	583,975
2016-2020	2,200,000	933,613	3,133,613
2021-2025	2,900,000	442,925	3,342,925
2026	700,000	14,000	714,000
	<u>\$ 7,350,000</u>	<u>\$ 2,690,413</u>	<u>\$ 10,040,413</u>

Component Unit - Water Resources Commission

Notes payable. The Water Resources Commission issues notes payable for the construction or major maintenance of drainage and lake level districts. Such notes are repaid from special assessments to local property owners.

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
Various drain and lake level notes payable	2011- 2017	\$208,324 to \$736,952	Various	<u>\$ 2,372,426</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for drain notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2011	\$ 719,872	\$ 172,676	\$ 892,548
2012	378,705	101,857	480,562
2013	363,405	56,629	420,034
2014	252,136	40,679	292,815
2015	224,992	29,587	254,579
2016-2017	433,316	28,667	461,983
	\$ 2,372,426	\$ 430,095	\$ 2,802,521

Component Unit - Road Commission

Michigan Department of Transportation bonds. The Road Commission borrows from the Michigan Transportation Bond Fund to finance various capital projects.

	Due	Interest Rate	Amount
Michigan Transportation Fund Bonds:			
2002 A and B Series	2012	3.15% to 4.40%	\$ 280,000
2003 Series	2013	3.25% to 4.00%	320,000
2005 Series	2015	3.00% to 4.05%	375,000
Total			\$ 975,000

Contracts payable. The Road Commission has one contract payable for sewer construction costs. This contract is repayable at 3% interest rate through 2011, and amounted to \$2,061 at December 31, 2010.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Installment purchase agreement. The Road Commission entered into an installment purchase agreement in 2008, which was secured by the related durapatcher equipment, and calls for quarterly installments of \$19,028 through July 2012, which includes interest at 4.9%. The balance of the loan at December 31, 2010 is \$126,319. During 2010, the Road Commission entered into an installment purchase agreement for six dump trucks, which was secured by the related freightliner dump truck equipment. At December 31, 2010, the Road commission had received \$567,937 on a portion of the truck components of an eventual total borrowing of \$1,266,094 and the remaining \$699,507 will be received in 2011.

Annual debt service requirements to maturity for Michigan Department of Transportation bonds and contracts payable are as follows:

Year ending December 31,	Bonds		Contracts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 305,000	\$ 35,691	\$ 73,278	\$ 140	\$ 378,278	\$ 35,831
2012	315,000	23,484	55,102	1,362	370,102	24,846
2013	190,000	10,424	-	-	190,000	10,424
2014	80,000	5,042	-	-	80,000	5,042
2015	85,000	1,721	-	-	85,000	1,721
	<u>\$ 975,000</u>	<u>\$ 76,362</u>	<u>\$ 128,380</u>	<u>\$ 1,502</u>	<u>\$ 1,103,380</u>	<u>\$ 77,864</u>

The debt service requirement schedule above does not include future payments related to the 2010 capital lease installment agreements for the six dump trucks. Lease advance payments on this agreement were required to be made in 2010. The annual debt service schedule for this installment lease once fully executed is as follows:

Year ending December 31,	Principal	Interest
2011	\$ 245,867	\$ 49,502
2012	256,704	38,665
2013	268,261	27,108
2014	280,215	15,155
2015	130,503	3,196
	<u>\$ 1,051,047</u>	<u>\$ 115,275</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Component Unit - Board of Public Works

The Board of Public Works (BPW) works through the County and issues general obligation bonds to finance water and sewer infrastructure projects, which are administered by BPW. These bonds are direct obligations and pledge the full faith and credit of the County and the benefiting municipalities.

Annual debt service requirements to maturity for BPW bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 625,000	\$ 302,274
2012	555,000	279,623
2013	535,000	257,586
2014	540,000	235,214
2015	545,000	212,071
2016-2020	2,605,000	681,047
2021-2025	700,000	289,980
2026-2030	575,000	145,184
2031-2032	250,000	13,000
	<u>\$ 6,930,000</u>	<u>\$ 2,415,979</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Changes in long-term debt.

Long-term debt liability activity for the year ended December 31, 2010, was as follows:

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010	Due in One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 6,515,000	\$ 7,000,000	\$ 375,000	\$ 13,140,000	\$ 645,000
Unamortized bond discount	(65,954)	(63,000)	(7,328)	(121,626)	(10,328)
Unamortized gain on bond refunding	11,947	-	1,328	10,619	1,328
Lease purchase agreements	162,209	259,960	168,509	253,660	122,744
Compensated absences	1,608,834	3,156,970	3,089,224	1,676,580	120,221
	<u>\$ 8,232,036</u>	<u>\$ 10,353,930</u>	<u>\$ 3,626,733</u>	<u>\$ 14,959,233</u>	<u>\$ 878,965</u>
<u>Business-type activities</u>					
General obligation limited tax notes payable	\$ 200,000	\$ 6,000,000	\$ 5,300,000	\$ 900,000	\$ 900,000
General obligation bonds	7,600,000	-	250,000	7,350,000	250,000
	<u>\$ 7,800,000</u>	<u>\$ 6,000,000</u>	<u>\$ 5,550,000</u>	<u>\$ 8,250,000</u>	<u>\$ 1,150,000</u>
<u>Water Resources Commission component unit</u>					
Drain notes payable	\$ 1,644,918	\$ 1,021,755	\$ 513,247	\$ 2,153,426	\$ 550,872
Lake level notes payable	225,500	-	6,500	219,000	169,000
	<u>\$ 1,870,418</u>	<u>\$ 1,021,755</u>	<u>\$ 519,747</u>	<u>\$ 2,372,426</u>	<u>\$ 719,872</u>
<u>Road Commission component unit</u>					
Michigan Transportation fund bonds	\$ 1,265,000	\$ -	\$ 290,000	\$ 975,000	\$ 305,000
Contracts payable	6,850	-	4,789	2,061	2,061
Installment purchase agreement	194,789	567,397	153,014	609,172	71,217
Compensated absences	117,623	-	9,517	108,106	25,000
	<u>\$ 1,584,262</u>	<u>\$ 567,397</u>	<u>\$ 457,320</u>	<u>\$ 1,694,339</u>	<u>\$ 403,278</u>
<u>Board of Public Works component unit</u>					
Bonds payable	<u>\$ 7,725,000</u>	<u>\$ -</u>	<u>\$ 795,000</u>	<u>\$ 6,930,000</u>	<u>\$ 625,000</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

IV. OTHER INFORMATION

A. Risk management / self-insurance programs

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. On risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the Insurance fund) using premiums paid into it by the general fund of the government. Such contributions as received by MMRMA are allocated between the general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members self-insured retention limits along with certain other member-specific costs.

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General liability	\$200,000
Motor vehicle physical damage	\$15,000 per vehicle \$30,000 per occurrence
Property damage	\$10,000

The County had estimated claims payable of \$383,424 at December 31, 2010. At December 31, 2010, the balance of the County's member retention fund was \$27,730.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Changes in the balances of the County's estimated claims payable during the past two years are as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 587,673	\$ 363,840
Incurred claims (including IBNR's)	560,492	871,715
Claim payments	<u>(764,741)</u>	<u>(647,882)</u>
Unpaid claims, end of year	<u>\$ 383,424</u>	<u>\$ 587,673</u>

Employee Benefits. The government maintains a self-insurance program for employee health care coverage which is accounted for in an internal service fund (i.e., the Employee Benefits fund). The program is administered by a third party administrator who provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on actuarial and management estimates. These premiums are available to pay health care claims, claim reserves, excess coverage and administrative costs as well as to purchase dental, life, and long-term disability insurance coverage from commercial carriers and to reimburse the State for unemployment benefits paid.

Health care liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers annual individual claims in excess of \$170,000. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of health care claims liabilities during the past two years are as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 361,486	\$ (216,989)
Incurred claims (including IBNR's)	6,023,581	6,248,759
Claim payments	<u>(6,586,452)</u>	<u>(5,670,284)</u>
(Prepaid) unpaid claims, end of year	<u>\$ (201,385)</u>	<u>\$ 361,486</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Workers' Compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in an internal service fund (i.e., the Workers' Compensation fund). The program is administered by a third party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$350,000 subject to an annual aggregate limit of \$1 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 217,767	\$ 272,908
Incurred claims (including IBNR's)	158,390	177,535
Claim payments	<u>(211,811)</u>	<u>(232,676)</u>
Unpaid claims, end of year	<u>\$ 164,346</u>	<u>\$ 217,767</u>

Road Commission

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool ("Pool") established pursuant to the laws of the State of Michigan which authorizes contracts between municipal corporations (interlocal agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts.

The Michigan County Road Commission Self-Insurance Pool was established for the purpose of making a self-insurance pooling program available for Michigan County Road Commissions, which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Calhoun County Road Commission pays an annual premium to the Pool for property (buildings and grounds) coverage, automobile liability, errors or omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The Road Commission is also self-insured for workers' compensation as a member of the County Road Association Worker's Compensation Fund.

In the past three years, there have been no reductions in coverages, nor have settlements exceeded coverages. Management of the Road Commission believes that losses, if any, in excess of Insurance Pool coverages would not be material to the financial position of the Road Commission.

The Road Commission continues to carry commercial insurance for employee health and accident insurance.

B. Property taxes

County operating property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. The assessed and taxable value of real and personal property for the 2010 levies, for which revenue was recognized in fiscal 2010, was \$3,818,697,435. The general operating tax rate for this levy was 5.3779 mills with an additional 0.7452 mills and 0.2482 mills assessed for Senior Services and Medical Care Facility operations, respectively.

By agreement with the various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

C. Employee retirement systems and pension plans

Defined Contribution Pension Plan - Primary Government

Substantially all of the government's full-time employees are eligible to participate in one of two defined contribution pension plans, as established by Board policy and labor agreements. Required government contributions to the pension plans are at various rates based on Board policy and labor agreements with the various bargaining units. The Calhoun County Board of Commissioners established both plans and may amend them and the related contribution requirements, subject to the County's various collective bargaining agreements. The plans are administered and the assets are in the custody of third-party insurance companies.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The government's contributions for each employee, and interest allocated to an employee's account, are fully vested after five years of service, except for Sheriff Department employees who are fully vested after ten years. Employee contributions are fully vested at the time of contribution. Employer contributions and allocated interest for employees who leave employment before full vesting are used to reduce the employer current-period contribution requirement. All required employer contributions were made as disclosed below:

	<u>General County Merrill Lynch</u>	<u>Medical Care Facility Kemper/Pert</u>	<u>Total</u>
Required and actual employer contributions	\$ 276,382	\$ 149,333	\$ 425,715
Required and actual employee contributions	599,605	204,610	804,215

Defined Benefit Pension Plans – Primary Government

Calhoun County Defined Benefit Plan

Plan Description. Substantially all of the government's full-time employees, other than Sheriff Supervisory and Non-Supervisory Unions, are eligible to participate in a defined benefit plan, as established by the Board during 2001. The Calhoun County Defined Benefit Plan provides retirement and death benefits to plan members and beneficiaries. The plan is administered by the County and is a single-employer plan. The plan financial statements are part of this report. A separate, stand-alone report is not issued.

Basis of Accounting. The Plan's financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which they are due. The County's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments. The Plan's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate for the County is 7.00% of annual covered payroll. All participating employees are required to contribute 9.07% of their annual salary. Administrative costs of the plan are financed through investment earnings. The benefit provisions and contribution requirements of the County and of plan members are established by and may be amended by the Board of Commissioners.

For the year ended December 31, 2010, the annual pension cost of \$883,337 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5%, (b) projected salary increase of 4.0% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 2.5% for employees with less than 10 years of service and 1.5% for employees with 10 or more years of service, attributable to seniority/merit. The actuarial value of plan assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2009.

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2009, the date of the most recent valuation, is as follows:

Actuarial Accrued Liability (AAL)	\$ 23,022,661
Actuarial Value of Assets	<u>10,904,993</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 12,117,668</u>
Funded ratio	47.4%
Covered payroll (active plan members)	\$ 11,573,629
UAAL as a percentage of covered payroll	104.7%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Membership of the plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	46
Terminated plan members entitled to but not yet receiving benefits	24
Active plan members	<u>273</u>
Total	<u>343</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 762,920	\$ 762,920	100%	\$ -
12/31/09	835,013	835,013	100	-
12/31/10	883,337	883,337	100	-

Municipal Employees Retirement System of Michigan

Plan Description. Both the Sheriff Supervisory and Non-Supervisory Unions are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, MI 48917, or by calling (800) 767-6377.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate for the County is between 7.00% and 50.17% of annual covered payroll, depending on employee group. All participating employees are required to contribute between 12.00% and 12.58% percent of their annual salary. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

For the year ended December 31, 2010, the annual pension cost of \$831,123 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2009.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 699,556	\$ 699,556	100%	\$ -
12/31/09	803,268	803,268	100	-
12/31/10	831,123	831,123	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/09	\$ 13,637,782	\$ 27,162,367	\$13,524,585	50%	\$ 8,103,491	167%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Flexible Benefit Plan – Primary Government

Plan Description. Calhoun County offers both health care and dependent care flexible spending accounts (FSAs). Eligible employees may contribute to an FSA through pre-tax payroll deductions. Eligible out-of-pocket health care or dependent care expenses are reimbursed to the employee through a third party administrator.

Defined Benefit Pension Plan - Road Commission

Municipal Employees Retirement System of Michigan

Plan Description. The Road Commission's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Road Commission participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917, or by calling (800) 767-6377.

Funding Policy. The Road Commission is required to contribute at an actuarially determined rate; the current rate is 18.3% to 27.9% of annual covered payroll. Certain employees are required to contribute to the Plan. The contribution requirements of the Road Commission are established by Act No. 427 of the Public Acts of 1984, as amended, and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission.

Annual Pension Cost. For the year ended December 31, 2010, the Road Commission's annual pension cost of \$606,067 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The Road Commission's unfunded actuarial accrued liability as of December 31, 2009, the date of the latest actuarial valuation, is being amortized as a level percentage of projected payrolls on an open basis over 28 years.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 517,141	\$ 517,141	100%	\$ -
12/31/09	535,483	535,483	100	-
12/31/10	606,067	606,067	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/09	\$ 8,024,910	\$ 13,528,995	\$ 5,504,085	59%	\$ 2,739,935	201%

D. Other postemployment benefits

Primary Government

Plan Description. In accordance with labor agreements and board action, the County provides post-retirement healthcare benefits to full-time employees. The plans offered consist of an 80/20 Traditional Indemnity plan with prescription coverage, a Community Blue Preferred Provider Organization Plan 3 with prescription coverage, and a Medicare Advantage plan. To be eligible for coverage, a retiree must have a minimum of 10 years of service and attained the age of 50, with the sum of the age and years of service totaling at least 75. In 2010, 54 retirees met these requirements. Retirees are required to contribute 100% of the illustrated rate less any discount. A retiree who has completed at least 20 years of service and the sum of their age and years of service totals at least 85, are eligible for a discount as follows:

<u>Age at Retirement</u>	<u>Monthly Discount</u>
At least 60	\$8 x years of service
At least 61	\$9 x years of service
At least 62	\$10 x years of service

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

In 2010, retirees were billed and paid \$131,180 based on illustrated rates, established at the beginning of 2010, adjusted for the applicable service credit.

Actual claims/Rx costs totaled \$170,705, thereby resulting in a net County payment of \$39,525.

Plan Membership. Plan membership consisted of the following at December 31, 2010:

Retirees and beneficiaries currently receiving benefits	54
Active plan members	<u>461</u>
Total	<u>515</u>

Funding Policy. The County is required to contribute at an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation. For 2010, the components of the County's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 702,417
Interest on net OPEB obligation	68,897
Adjustment to annual required contribution	<u>(99,392)</u>
Annual OPEB cost (expense)	671,922
Contributions made	<u>(39,525)</u>
Increase in net OPEB obligation	632,397
Net OPEB obligation, beginning of year	<u>1,784,918</u>
Net OPEB obligation, end of year	<u>\$ 2,417,315</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, was as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 993,781	\$ 149,989	15%	\$ 843,792
12/31/09	1,035,944	94,818	9%	1,784,918
12/31/10	671,922	39,525	6%	2,417,315

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 8,534,203
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,534,203</u>
Funded ratio	0.0%
Covered payroll (active plan members)	\$ 25,782,100
UAAL as a percentage of covered payroll	34.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/10
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	5.0%
Healthcare inflation rate	4.0% downgraded to 0% over 4 years

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Road Commission Component Unit

Plan Description. The Road Commission provides health insurance benefits for its retired employees, as established by Road Commission Board Resolution. The Road Commission pays 90% of medical premiums for employees at various ages and years of service depending on classification upon retirement. Spouses are covered to the earlier of death or death of participant.

Plan Membership. Plan membership consisted of the following at December 31, 2007 (the date of the latest actuarial valuation):

Retirees and beneficiaries currently receiving benefits	49
Active participants	65

Funding Policy. The Road Commission is required to contribute at an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 12.8% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation. For 2010, the components of the Road Commission's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Road Commission's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 331,647
Interest on net OPEB obligation	6,005
Adjustment to annual required contribution	<u>(8,663)</u>
Annual OPEB cost (expense)	328,989
Contributions made	<u>(311,597)</u>
Increase in net OPEB obligation	17,392
Net OPEB obligation, beginning of year	<u>150,132</u>
Net OPEB obligation, end of year	<u>\$ 167,524</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, which is the first year for OPEB obligation determination, was as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 320,261	\$ 226,189	70.6%	\$94,072
12/31/09	328,001	271,941	82.9%	150,132
12/31/10	328,989	311,597	94.7%	167,524

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2007, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 4,079,394
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,079,394</u>
Funded ratio	0.0%
Covered payroll (active plan members)	\$ 2,576,262
UAAL as a percentage of covered payroll	158%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements of the Road Commission, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Actuarial valuation date	12/31/07
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	5.0%
Healthcare inflation rate	9.0% downgraded to 5% over 4 years

E. Contingent liabilities

Amounts received or receivable from grantor agencies and health care intermediaries including Medicare and Medicaid are subject to audit and adjustment by the grantor agencies or intermediaries. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors or intermediaries cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component units, individually or jointly, are a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

F. Governmental Activities Net Assets

Net assets includes a caption entitled Invested in Capital Assets net of related debt. This is calculated as follows:

Description	Amount
Governmental Activities, Excluding Internal Service Funds:	
Capital assets, net of accumulated depreciation	\$ 35,263,760
Long-term debt related to capital assets	(13,210,599)
Unexpended bond proceeds in capital projects fund	1,451,863
Invested in capital assets net of related debt, excluding internal service funds	23,505,024
Internal service funds:	
Building & grounds -	
Capital assets, net of accumulated depreciation	2,331,270
Administration services:	
Capital assets, net of accumulated depreciation	172,211
Long-term debt related to capital assets	(72,054)
	<u>\$ 25,936,451</u>

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***REQUIRED SUPPLEMENTARY
INFORMATION***

COUNTY OF CALHOUN, MICHIGAN
Required Supplementary Information

Employees Retirement System
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/03	\$ 2,249,674	\$ 10,902,589	\$ 8,652,915	21%	\$ 8,566,899	101%
12/31/04	3,311,607	11,507,084	8,195,477	29%	9,358,934	88%
12/31/05	4,370,131	16,258,413	11,888,282	27%	10,614,989	112%
12/31/06	6,479,448	18,105,294	11,625,846	36%	10,368,517	112%
12/31/07	8,275,209	19,488,001	11,212,792	42%	10,557,094	106%
12/31/08	8,894,590	20,809,808	11,915,218	43%	10,769,141	111%
12/31/09	10,904,993	23,022,661	12,117,668	47%	11,573,629	105%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2004	\$ 532,818	100%
2005	519,753	100%
2006	740,089	100%
2007	751,800	100%
2008	762,920	100%
2009	835,013	100%
2010	883,337	100%

Other Postemployment Benefit Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/07	\$ -	\$ 11,145,479	\$ 11,145,479	0%	\$ 25,020,978	45%
12/31/09	-	8,534,203	8,534,203	0%	25,782,100	34%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2008	\$ 993,781	15%
2009	1,049,964	9%
2010	702,417	6%

COUNTY OF CALHOUN, MICHIGAN
Required Supplementary Information

Municipal Employees Retirement System
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/04	\$ 6,373,913	\$ 16,395,271	\$ 10,021,358	39%	\$ 6,713,373	149%
12/31/05	7,704,029	19,944,123	12,240,094	39%	7,412,939	165%
12/31/06	9,078,283	21,865,716	12,787,433	42%	7,358,040	174%
12/31/07	10,558,816	23,646,999	13,088,183	45%	8,025,218	163%
12/31/08	11,961,039	26,368,738	14,407,699	45%	8,216,643	175%
12/31/09	13,637,782	27,162,367	13,524,585	50%	8,103,491	167%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2004	\$ 466,928	100%
2005	586,510	100%
2006	609,154	100%
2007	683,559	100%
2008	699,556	100%
2009	803,268	100%
2010	831,123	100%

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Special Revenue Funds	Debt Service Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 2,225,664	\$ 8,073	\$ 37,721	\$ 2,271,458
Receivables:				
Accounts, net	167,379	-	-	167,379
Delinquent taxes	210	13,210	-	13,420
Accrued interest	122	-	9	131
Due from other governments	931,579	-	-	931,579
Due from other funds	3,442	-	-	3,442
Prepaid items	15,683	-	-	15,683
<u>TOTAL ASSETS</u>	<u>\$ 3,344,079</u>	<u>\$ 21,283</u>	<u>\$ 37,730</u>	<u>\$ 3,403,092</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 260,018	\$ -	\$ -	\$ 260,018
Due to other governments	41,000	-	-	41,000
Due to other funds	8,606	-	-	8,606
Interfund payables	644,548	-	-	644,548
Deferred revenue	8,027	13,204	-	21,231
Total liabilities	962,199	13,204	-	975,403
Fund balances				
Reserved for prepaid items	15,683	-	-	15,683
Reserved for perpetual care	-	-	36,546	36,546
Unreserved, undesignated	2,366,197	8,079	1,184	2,375,460
Total fund balances	2,381,880	8,079	37,730	2,427,689
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 3,344,079</u>	<u>\$ 21,283</u>	<u>\$ 37,730</u>	<u>\$ 3,403,092</u>

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Special Revenue Funds	Debt Service Funds	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ 1,303,749	\$ 197	\$ -	\$ 1,303,946
Licenses and permits	14,285	-	-	14,285
Intergovernmental	4,531,889	-	-	4,531,889
Charges for services	585,965	-	-	585,965
Fines and forfeitures	26,948	-	-	26,948
Interest and rents	1,514	1	157	1,672
Other	336,895	-	-	336,895
Total revenue	6,801,245	198	157	6,801,600
Expenditures				
Current:				
Judicial	3,896,545	-	-	3,896,545
General government	13,991	-	-	13,991
Public safety	2,228,436	-	-	2,228,436
Health and welfare	528,531	-	-	528,531
Recreation and cultural	1,732,052	-	-	1,732,052
Other	-	-	305	305
Debt service:				
Principal	-	375,000	-	375,000
Interest and fiscal charges	-	220,276	-	220,276
Capital outlay	37,617	-	-	37,617
Total expenditures	8,437,172	595,276	305	9,032,753
Revenue under expenditures	(1,635,927)	(595,078)	(148)	(2,231,153)
Other financing sources (uses)				
Transfers in	1,573,097	595,276	-	2,168,373
Transfers out	(1,796,515)	-	-	(1,796,515)
Total other financing sources (uses)	(223,418)	595,276	-	371,858
Net change in fund balance	(1,859,345)	198	(148)	(1,859,295)
Fund balance, beginning of year	4,241,225	7,881	37,878	4,286,984
Fund balance, end of year	\$ 2,381,880	\$ 8,079	\$ 37,730	\$ 2,427,689

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NONMAJOR SPECIAL REVENUE FUNDS

Description of Funds
Combining Financial Statements
Individual Fund Schedules

NONMAJOR SPECIAL REVENUE FUNDS

Friend of the Court -- This fund is used to account for mediation services regarding custody or visitation rights to parties involved in divorce. This fund is also used to account for grant revenues that are specifically restricted to the provision of Child Support Services. Financing is provided by State and Federal sources and a County appropriation.

Family Counseling -- This fund is used to account for the operations of a family counseling service. Financing is provided by marriage license fees.

County Special Projects -- This fund is used to account for the costs of special projects and is funded by transfers from the General fund.

Accommodations Tax -- This fund is used to account for a collection of a five percent hotel/motel room tax. Board of Commissioner's resolutions allocate a portion of these revenues to promote tourism and convention business. State law limits the use of hotel/motel accommodation tax revenue to the development and promotion of convention and entertainment facilities.

Solid Waste Management -- This fund is used to account for costs related to a planning grant for solid waste and recycling management.

Circuit Court Grants -- This fund is used to account for costs related to grants received by the Circuit Court.

Parks -- This fund is used to account for certain operations and maintenance of County owned parks and facilities.

Remonumentation -- This fund is used to account for the operations of the State-funded remonumentation grant and Board designated fees for enhancement of the County's remonumentation initiative.

Register of Deeds Automation -- This fund is used to account for fees collected that are restricted by law to be used for technology upgrades with the Register of Deeds Department.

Clerk -- This fund is used to account for the operations of the County Clerk's Byrne Memorial grant.

Local Emergency Planning -- This fund is used to account for various local emergency planning committees.

Emergency 911 -- This fund is used to account for the operations of the emergency telephone and dispatch system. Financing is provided through a County-wide surcharge.

Sheriff -- This fund is used to account for the office of the Sheriff special operations and related grant funds.

NONMAJOR SPECIAL REVENUE FUNDS

CONCLUDED

Emergency Management -- This fund is used to account for various Homeland Security Grants.

Law Library -- This fund is used to record revenues provided for the maintenance of a law library. Money for the operation of this fund is from the statutory transfer of penal fines.

Community Corrections -- This fund is used to account for the County's community corrections program. This program is State funded.

Prosecutor -- This fund is used to account for the Prosecutor's special operations and related grant funds.

Housing Rehabilitation -- This fund is used to account for Community Development Block Grant Funds, which are under the administration of the Michigan State Housing Development Authority (MSHDA), as they are used for Housing Rehabilitation Program activities.

Revenue Sharing Reserve -- This fund is used to account for accelerated property taxes collections held for the replacement of future state shared revenue.

Federal and State Grant -- This fund is used to account for the operations of Federal and State grant programs.

MSU Cooperative Extension -- This fund is used to account for the various programs sponsored by MSU.

Human Services -- This fund is used to account for funds which are provided by County, State, and Federal governments to administer the human services department, assist eligible recipients, and to administer various State and Federal human services programs.

Soldiers' Relief -- This fund is used to account for funds provided by a tax levy for indigent veterans.

Veterans' Trust -- This fund is used to account for revenue set aside for aid to veterans. Funding is provided by the State of Michigan.

Employee Benefits -- This fund is used to account for the administrative costs of operating the County's 401(k) Pension Plan.

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 64,474	\$ 77,027	\$ 90,113
Receivables:				
Accounts, net	41	-	-	78,797
Delinquent taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	645,612	-	-	-
Due from other funds	-	-	3,442	-
Prepaid items	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 645,653	\$ 64,474	\$ 80,469	\$ 168,910
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 10,669	\$ -	\$ 2,359	\$ 160,304
Due to other governments	-	-	-	-
Due to other funds	-	-	-	8,606
Interfund payables	472,553	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	483,222	-	2,359	168,910
Fund balances				
Reserved for prepaid items	-	-	-	-
Unreserved, undesignated	162,431	64,474	78,110	-
Total fund balances	162,431	64,474	78,110	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 645,653	\$ 64,474	\$ 80,469	\$ 168,910

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation	(260) Clerk
\$ 764,781	\$ 558,791	\$ 74,142	\$ 126,034	\$ 74,294	\$ 3,500
58,805	25	-	-	-	-
-	-	-	-	-	-
122	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,195	-	-	-
\$ 823,708	\$ 558,816	\$ 85,337	\$ 126,034	\$ 74,294	\$ 3,500
\$ 8,714	\$ 12,073	\$ 254	\$ 24,368	\$ 3,591	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	140	-	-	-	-
8,714	12,213	254	24,368	3,591	-
-	-	11,195	-	-	-
814,994	546,603	73,888	101,666	70,703	3,500
814,994	546,603	85,083	101,666	70,703	3,500
\$ 823,708	\$ 558,816	\$ 85,337	\$ 126,034	\$ 74,294	\$ 3,500

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2010

	(263) Local Emergency Planning	(264) Emergency 911	(265) Sheriff	(266) Emergency Management
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 1,245	\$ 91,025	\$ 68,699	\$ -
Receivables:				
Accounts, net	-	-	-	-
Delinquent taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	74,097	38,871
Due from other funds	-	-	-	-
Prepaid items	-	4,488	-	-
<u>TOTAL ASSETS</u>	\$ 1,245	\$ 95,513	\$ 142,796	\$ 38,871
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ 10,359	\$ 14,511	\$ 738
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Interfund payables	-	-	-	38,133
Deferred revenue	548	-	7,130	-
Total liabilities	548	10,359	21,641	38,871
Fund balances				
Reserved for prepaid items	-	4,488	-	-
Unreserved, undesignated	697	80,666	121,155	-
Total fund balances	697	85,154	121,155	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 1,245	\$ 95,513	\$ 142,796	\$ 38,871

(269) Law Library	(273) Community Corrections	(281) Prosecutor	(285) Housing Rehabilitation	(286) Revenue Sharing Reserve
\$ 1,117	\$ -	\$ -	\$ 8,306	\$ -
238	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	46,966	116,973	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,355</u>	<u>\$ 46,966</u>	<u>\$ 116,973</u>	<u>\$ 8,306</u>	<u>\$ -</u>
\$ 1,355	\$ 2,266	\$ 487	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	44,700	68,506	-	-
-	-	-	-	-
<u>1,355</u>	<u>46,966</u>	<u>68,993</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	47,980	8,306	-
-	-	47,980	8,306	-
<u>\$ 1,355</u>	<u>\$ 46,966</u>	<u>\$ 116,973</u>	<u>\$ 8,306</u>	<u>\$ -</u>

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Concluded)
December 31, 2010

	(287) Federal and State Grant	(289) MSU Coop. Ext.	(290) Human Services	(293) Soldiers' Relief
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 167,552	\$ 48,413
Receivables:				
Accounts, net	1,856	12,358	-	-
Delinquent taxes	-	-	-	210
Accrued interest	-	-	-	-
Due from other governments	9,060	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 10,916</u>	<u>\$ 12,358</u>	<u>\$ 167,552</u>	<u>\$ 48,623</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 40	\$ -	\$ -	\$ 786
Due to other governments	-	-	41,000	-
Due to other funds	-	-	-	-
Interfund payables	8,298	12,358	-	-
Deferred revenue	-	-	-	209
Total liabilities	<u>8,338</u>	<u>12,358</u>	<u>41,000</u>	<u>995</u>
Fund balances				
Reserved for prepaid items	-	-	-	-
Unreserved, undesignated	2,578	-	126,552	47,628
Total fund balances	<u>2,578</u>	<u>-</u>	<u>126,552</u>	<u>47,628</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 10,916</u>	<u>\$ 12,358</u>	<u>\$ 167,552</u>	<u>\$ 48,623</u>

(294) Veterans' Trust	(258) Employee Benefits	Totals
\$ 1,393	\$ 4,758	\$ 2,225,664
-	15,259	167,379
-	-	210
-	-	122
-	-	931,579
-	-	3,442
-	-	15,683

\$ 1,393	\$ 20,017	\$ 3,344,079
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\$ 294	\$ 6,850	\$ 260,018
-	-	41,000
-	-	8,606
-	-	644,548
-	-	8,027
294	6,850	962,199

-	-	15,683
1,099	13,167	2,366,197
1,099	13,167	2,381,880

\$ 1,393	\$ 20,017	\$ 3,344,079
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COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 1,291,826
Licenses and permits	-	14,285	-	-
Intergovernmental	2,207,330	-	-	-
Charges for services	49,102	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	2,256,432	14,285	-	1,291,826
Expenditures				
Current:				
Judicial	3,861,787	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	57,643	1,162,530
Capital outlay	-	-	-	-
Total expenditures	3,861,787	-	57,643	1,162,530
Revenue over (under) expenditures	(1,605,355)	14,285	(57,643)	129,296
Other financing sources (uses)				
Transfers in	1,299,641	-	51,718	-
Transfers out	-	(10,000)	(40,000)	(129,296)
Total other financing sources (uses)	1,299,641	(10,000)	11,718	(129,296)
Net change in fund balance	(305,714)	4,285	(45,925)	-
Fund balance, beginning of year	468,145	60,189	124,035	-
Fund balance, end of year	\$ 162,431	\$ 64,474	\$ 78,110	\$ -

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation	(260) Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	381,890	-	82,450	-	-
270,651	-	57,327	-	120,475	-
-	-	-	-	-	-
1,510	-	4	-	-	-
5,187	16,582	-	38,428	-	-
277,348	398,472	57,331	120,878	120,475	-
-	-	-	-	-	-
-	-	-	-	-	-
-	344,486	-	-	-	-
(3)	-	-	-	-	-
216,148	-	6,736	141,682	134,955	-
-	-	-	-	10,550	-
216,145	344,486	6,736	141,682	145,505	-
61,203	53,986	50,595	(20,804)	(25,030)	-
-	-	-	-	-	-
-	-	-	-	(20,000)	-
-	-	-	-	(20,000)	-
61,203	53,986	50,595	(20,804)	(45,030)	-
753,791	492,617	34,488	122,470	115,733	3,500
\$ 814,994	\$ 546,603	\$ 85,083	\$ 101,666	\$ 70,703	\$ 3,500

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	(263) Local Emergency Planning	(264) Emergency 911	(265) Sheriff	(266) Emergency Management
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	703,440	74,238
Charges for services	-	-	31,313	-
Fines and forfeitures	-	-	20,448	-
Interest and rents	-	-	-	-
Other	-	218,325	2,490	-
Total revenue	-	218,325	757,691	74,238
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	(6)	223,424	809,964	72,723
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	1,515
Total expenditures	(6)	223,424	809,964	74,238
Revenue over (under) expenditures	6	(5,099)	(52,273)	-
Other financing sources (uses)				
Transfers in	-	-	17,111	-
Transfers out	-	(77,500)	(8,750)	-
Total other financing sources (uses)	-	(77,500)	8,361	-
Net change in fund balance	6	(82,599)	(43,912)	-
Fund balance, beginning of year	691	167,753	165,067	-
Fund balance, end of year	\$ 697	\$ 85,154	\$ 121,155	\$ -

(269) Law Library	(273) Community Corrections	(281) Prosecutor	(285) Housing Rehabilitation	(286) Revenue Sharing Reserve
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	171,400	415,582	-	-
-	-	-	-	-
6,500	-	-	-	-
-	-	-	-	-
-	-	30,624	-	-
6,500	171,400	446,206	-	-
34,758	-	-	-	-
-	-	-	-	-
-	182,267	581,173	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,250	-	-
34,758	182,267	582,423	-	-
(28,258)	(10,867)	(136,217)	-	-
27,763	10,867	159,500	-	-
-	-	-	-	(1,510,969)
27,763	10,867	159,500	-	(1,510,969)
(495)	-	23,283	-	(1,510,969)
495	-	24,697	8,306	1,510,969
\$ -	\$ -	\$ 47,980	\$ 8,306	\$ -

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	(287) Federal and State Grant	(289) MSU Coop. Ext.	(290) Human Services	(293) Soldiers' Relief
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 11,923
Licenses and permits	-	-	-	-
Intergovernmental	80,018	12,358	392,883	-
Charges for services	2,328	-	54,769	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	82,346	12,358	447,652	11,923
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	14,405	-	-	-
Health and welfare	51,894	-	459,973	3,843
Recreation and cultural	-	12,358	-	-
Capital outlay	14,966	-	-	9,336
Total expenditures	81,265	12,358	459,973	13,179
Revenue over (under) expenditures	1,081	-	(12,321)	(1,256)
Other financing sources (uses)				
Transfers in	1,497	-	5,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	1,497	-	5,000	-
Net change in fund balance	2,578	-	(7,321)	(1,256)
Fund balance, beginning of year	-	-	133,873	48,884
Fund balance, end of year	\$ 2,578	\$ -	\$ 126,552	\$ 47,628

(294) Veterans' Trust	(258) Employee Benefits	Totals
\$ -	\$ -	\$ 1,303,749
-	-	14,285
10,300	-	4,531,889
-	-	585,965
-	-	26,948
-	-	1,514
-	25,259	336,895
10,300	25,259	6,801,245
-	-	3,896,545
-	13,991	13,991
-	-	2,228,436
12,824	-	528,531
-	-	1,732,052
-	-	37,617
12,824	13,991	8,437,172
(2,524)	11,268	(1,635,927)
-	-	1,573,097
-	-	(1,796,515)
-	-	(223,418)
(2,524)	11,268	(1,859,345)
3,623	1,899	4,241,225
\$ 1,099	\$ 13,167	\$ 2,381,880

COUNTY OF CALHOUN, MICHIGAN
Friend of the Court
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,332,626	2,207,330	(125,296)	2,362,787
Charges for services	41,500	49,102	7,602	43,191
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	2,374,126	2,256,432	(117,694)	2,405,978
Expenditures				
Current:				
Judicial	4,222,590	3,861,787	(360,803)	3,929,794
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	20,000	-	(20,000)	40,573
Total expenditures	4,242,590	3,861,787	(380,803)	3,970,367
Revenue over (under) expenditures	(1,868,464)	(1,605,355)	263,109	(1,564,389)
Other financing sources (uses)				
Transfers in	1,861,908	1,299,641	(562,267)	1,564,388
Transfers out	-	-	-	-
Total other financing sources	1,861,908	1,299,641	(562,267)	1,564,388
Net change in fund balance	(6,556)	(305,714)	(299,158)	(1)
Fund balance, beginning of year	468,145	468,145	-	468,146
Fund balance, end of year	\$ 461,589	\$ 162,431	\$ (299,158)	\$ 468,145

COUNTY OF CALHOUN, MICHIGAN
Family Counseling
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	15,000	14,285	(715)	13,956
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	15,000	14,285	(715)	13,956
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	5,000	-	(5,000)	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,000	-	(5,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	10,000	14,285	4,285	13,956
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(10,000)	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	4,285	4,285	3,956
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	60,189	60,189	-	56,233
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 60,189</u>	<u>\$ 64,474</u>	<u>\$ 4,285</u>	<u>\$ 60,189</u>

COUNTY OF CALHOUN, MICHIGAN
County Special Projects
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total revenue	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	126,100	57,643	(68,457)	5,863
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	126,100	57,643	(68,457)	5,863
Revenue over (under) expenditures	(126,100)	(57,643)	68,457	(5,863)
Other financing sources (uses)				
Transfers in	58,500	51,718	(6,782)	36,088
Transfers out	(40,000)	(40,000)	-	(20,000)
	-	-	-	-
Total other financing sources (uses)	18,500	11,718	(6,782)	16,088
Net change in fund balance	(107,600)	(45,925)	61,675	10,225
Fund balance, beginning of year	124,035	124,035	-	113,810
Fund balance, end of year	<u>\$ 16,435</u>	<u>\$ 78,110</u>	<u>\$ 61,675</u>	<u>\$ 124,035</u>

COUNTY OF CALHOUN, MICHIGAN
Accommodations Tax
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ 1,464,000	\$ 1,291,826	\$ (172,174)	\$ 902,196
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
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Total revenue	1,464,000	1,291,826	(172,174)	902,196
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	1,317,600	1,162,530	(155,070)	811,976
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,317,600	1,162,530	(155,070)	811,976
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	146,400	129,296	(17,104)	90,220
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(146,400)	(129,296)	17,104	(90,220)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(146,400)	(129,296)	17,104	(90,220)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CALHOUN, MICHIGAN
Solid Waste Management
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	180,000	270,651	90,651	227,912
Fines and forfeitures	-	-	-	-
Interest and rents	15,000	1,510	(13,490)	4,800
Other	-	5,187	5,187	6,618
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	195,000	277,348	82,348	239,330
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	(3)	(3)	179,209
Recreation and cultural	219,744	216,148	(3,596)	-
Capital outlay	-	-	-	-
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Total expenditures	219,744	216,145	(3,599)	179,209
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(24,744)	61,203	85,947	60,121
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(24,744)	61,203	85,947	60,121
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	753,791	753,791	-	693,670
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 729,047</u>	<u>\$ 814,994</u>	<u>\$ 85,947</u>	<u>\$ 753,791</u>

COUNTY OF CALHOUN, MICHIGAN
Circuit Court Grants
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	408,000	381,890	(26,110)	408,828
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	586
Other	6,642	16,582	9,940	13,291
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	414,642	398,472	(16,170)	422,705
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	424,642	344,486	(80,156)	315,686
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	424,642	344,486	(80,156)	315,686
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	(10,000)	53,986	63,986	107,019
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(10,000)	53,986	63,986	107,019
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	492,617	492,617	-	385,598
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 482,617</u>	<u>\$ 546,603</u>	<u>\$ 63,986</u>	<u>\$ 492,617</u>

COUNTY OF CALHOUN, MICHIGAN
Parks
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	21,268	57,327	36,059	15,679
Fines and forfeitures	-	-	-	-
Interest and rents	-	4	4	27
Other	-	-	-	-
	21,268	57,331	36,063	15,706
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	21,268	6,736	(14,532)	2,650
Capital outlay	-	-	-	-
	21,268	6,736	(14,532)	2,650
Revenue over (under) expenditures	-	50,595	50,595	13,056
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Net change in fund balance	-	50,595	50,595	13,056
Fund balance, beginning of year	34,488	34,488	-	21,432
Fund balance, end of year	\$ 34,488	\$ 85,083	\$ 50,595	\$ 34,488

COUNTY OF CALHOUN, MICHIGAN
Remonumentation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	89,794	82,450	(7,344)	118,074
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	43,500	38,428	(5,072)	40,078
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	133,294	120,878	(12,416)	158,152
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	145,006	141,682	(3,324)	144,531
Capital outlay	3,000	-	(3,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	148,006	141,682	(6,324)	144,531
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(14,712)	(20,804)	(6,092)	13,621
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(14,712)	(20,804)	(6,092)	13,621
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	122,470	122,470	-	108,849
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), end of year	<u>\$ 107,758</u>	<u>\$ 101,666</u>	<u>\$ (6,092)</u>	<u>\$ 122,470</u>

COUNTY OF CALHOUN, MICHIGAN
Register of Deeds Automation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	125,000	120,475	(4,525)	132,235
Fines and forfeitures	-	-	-	-
Interest and rents	235	-	(235)	223
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	125,235	120,475	(4,760)	132,458
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	143,240	134,955	(8,285)	62,214
Capital outlay	15,250	10,550	(4,700)	10,862
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	158,490	145,505	(12,985)	73,076
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(33,255)	(25,030)	8,225	59,382
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(20,000)	(20,000)	-	(20,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(20,000)	(20,000)	-	(20,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(53,255)	(45,030)	8,225	39,382
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	115,733	115,733	-	76,351
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 62,478	\$ 70,703	\$ 8,225	\$ 115,733
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF CALHOUN, MICHIGAN
Clerk
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	6
	-	-	-	6
Total revenue	-	-	-	6
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	-	-	-	-
Revenue over expenditures	-	-	-	6
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	6
Fund balance, beginning of year	3,500	3,500	-	3,494
Fund balance, end of year	\$ 3,500	\$ 3,500	\$ -	\$ 3,500

COUNTY OF CALHOUN, MICHIGAN
Local Emergency Planning
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	1,600
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total revenue	-	-	-	1,600
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	(6)	(6)	2,149
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	-	(6)	(6)	2,149
Revenue over (under) expenditures	-	6	6	(549)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	6	6	(549)
Fund balance, beginning of year	691	691	-	1,240
Fund balance, end of year	\$ 691	\$ 697	\$ 6	\$ 691

COUNTY OF CALHOUN, MICHIGAN
Emergency 911
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	280,757	218,325	(62,432)	785,372
	<u>280,757</u>	<u>218,325</u>	<u>(62,432)</u>	<u>785,372</u>
Total revenue	<u>280,757</u>	<u>218,325</u>	<u>(62,432)</u>	<u>785,372</u>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	313,511	223,424	(90,087)	960,447
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<u>313,511</u>	<u>223,424</u>	<u>(90,087)</u>	<u>960,447</u>
Total expenditures	<u>313,511</u>	<u>223,424</u>	<u>(90,087)</u>	<u>960,447</u>
Revenue over (under) expenditures	<u>(32,754)</u>	<u>(5,099)</u>	<u>27,655</u>	<u>(175,075)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(77,500)	(77,500)	-	(1,950)
	<u>(77,500)</u>	<u>(77,500)</u>	<u>-</u>	<u>(1,950)</u>
Total other financing sources (uses)	<u>(77,500)</u>	<u>(77,500)</u>	<u>-</u>	<u>(1,950)</u>
Net change in fund balance	(110,254)	(82,599)	27,655	(177,025)
Fund balance, beginning of year	167,753	167,753	-	344,778
Fund balance, end of year	<u>\$ 57,499</u>	<u>\$ 85,154</u>	<u>\$ 27,655</u>	<u>\$ 167,753</u>

COUNTY OF CALHOUN, MICHIGAN
Sheriff
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	662,406	703,440	41,034	268,385
Charges for services	60,000	31,313	(28,687)	60,964
Fines and forfeitures	30,000	20,448	(9,552)	62,712
Interest and rents	100	-	(100)	18
Other	1,000	2,490	1,490	4,975
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	753,506	757,691	4,185	397,054
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	778,736	809,964	31,228	424,205
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	24,255	-	(24,255)	11,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	802,991	809,964	6,973	435,205
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(49,485)	(52,273)	(2,788)	(38,151)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	46,635	17,111	(29,524)	93,611
Transfers out	-	(8,750)	(8,750)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	46,635	8,361	(38,274)	93,611
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(2,850)	(43,912)	(41,062)	55,460
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	165,067	165,067	-	109,607
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 162,217	\$ 121,155	\$ (41,062)	\$ 165,067
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF CALHOUN, MICHIGAN
Emergency Management
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	85,504	74,238	(11,266)	82,938
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	85,504	74,238	(11,266)	82,938
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	83,957	72,723	(11,234)	78,869
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	1,547	1,515	(32)	6,019
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	85,504	74,238	(11,266)	84,888
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	-	-	(1,950)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	1,950
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	1,950
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CALHOUN, MICHIGAN
Law Library
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,500	6,500	-	6,500
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	6,500	6,500	-	6,500
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	34,400	34,758	358	35,984
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	34,400	34,758	358	35,984
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(27,900)	(28,258)	(358)	(29,484)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	27,000	27,763	763	13,780
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	27,000	27,763	763	13,780
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(900)	(495)	405	(15,704)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	495	495	-	16,199
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ (405)	\$ -	\$ 405	\$ 495
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF CALHOUN, MICHIGAN
Community Corrections
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	209,860	171,400	(38,460)	194,324
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	209,860	171,400	(38,460)	194,324
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	236,748	182,267	(54,481)	199,965
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	236,748	182,267	(54,481)	199,965
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(26,888)	(10,867)	16,021	(5,641)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	26,888	10,867	(16,021)	4,848
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	26,888	10,867	(16,021)	4,848
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	(793)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	793
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CALHOUN, MICHIGAN
Prosecutor
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	426,616	415,582	(11,034)	493,064
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	6,800	30,624	23,824	21,705
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	433,416	446,206	12,790	514,769
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	636,338	581,173	(55,165)	627,988
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	1,250	1,250	-	4,043
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	637,588	582,423	(55,165)	632,031
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(204,172)	(136,217)	67,955	(117,262)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	204,172	159,500	(44,672)	123,937
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	204,172	159,500	(44,672)	123,937
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	23,283	23,283	6,675
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	24,697	24,697	-	18,022
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 24,697</u>	<u>\$ 47,980</u>	<u>\$ 23,283</u>	<u>\$ 24,697</u>

COUNTY OF CALHOUN, MICHIGAN
Housing Rehabilitation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	108,360
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	7,068
	-	-	-	-
Total revenue	-	-	-	115,428
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	108,551
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	-	-	-	108,551
	-	-	-	-
Revenue over (under) expenditures	-	-	-	6,877
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
	-	-	-	-
Net change in fund balance	-	-	-	6,877
	-	-	-	-
Fund balance, beginning of year	8,306	8,306	-	1,429
	-	-	-	-
Fund balance, end of year	\$ 8,306	\$ 8,306	\$ -	\$ 8,306

COUNTY OF CALHOUN, MICHIGAN
Revenue Sharing Reserve
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	7,269
Other	-	-	-	-
	-	-	-	-
Total revenue	-	-	-	7,269
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	-	-	-	-
Revenue over (under) expenditures	-	-	-	7,269
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,513,700)	(1,510,969)	2,731	(3,001,402)
	(1,513,700)	(1,510,969)	2,731	(3,001,402)
Total other financing sources (uses)	(1,513,700)	(1,510,969)	2,731	(3,001,402)
Net change in fund balance	(1,513,700)	(1,510,969)	2,731	(2,994,133)
Fund balance, beginning of year	1,510,969	1,510,969	-	4,505,102
Fund balance, end of year	\$ (2,731)	\$ -	\$ 2,731	\$ 1,510,969

COUNTY OF CALHOUN, MICHIGAN
Federal and State Grant
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	65,245	80,018	14,773	476
Charges for services	-	2,328	2,328	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	65,245	82,346	17,101	476
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	13,756	14,405	649	476
Health and welfare	51,489	51,894	405	-
Recreation and cultural	-	-	-	-
Capital outlay	-	14,966	14,966	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	65,245	81,265	16,020	476
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	1,081	1,081	-
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	1,497	1,497	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	1,497	1,497	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	2,578	2,578	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 2,578</u>	<u>\$ 2,578</u>	<u>\$ -</u>

COUNTY OF CALHOUN, MICHIGAN
MSU Cooperative Extension
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	12,000	12,358	358	11,540
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	12,000	12,358	358	11,540
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	12,000	12,358	358	11,540
Capital outlay	-	-	-	-
	12,000	12,358	358	11,540
Revenue over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CALHOUN, MICHIGAN
Human Services
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	278,941	392,883	113,942	331,035
Charges for services	67,500	54,769	(12,731)	95,166
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	346,441	447,652	101,211	426,201
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	351,441	459,973	108,532	405,835
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	351,441	459,973	108,532	405,835
Revenue over (under) expenditures	(5,000)	(12,321)	(7,321)	20,366
Other financing sources (uses)				
Transfers in	5,000	5,000	-	4,583
Transfers out	-	-	-	-
Total other financing sources (uses)	5,000	5,000	-	4,583
Net change in fund balance	-	(7,321)	(7,321)	24,949
Fund balance, beginning of year	133,873	133,873	-	108,924
Fund balance, end of year	\$ 133,873	\$ 126,552	\$ (7,321)	\$ 133,873

COUNTY OF CALHOUN, MICHIGAN
Soldiers' Relief
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ 11,871	\$ 11,923	\$ 52	\$ 11,709
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	11,871	11,923	52	11,709
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	11,871	3,843	(8,028)	(406)
Recreation and cultural	-	-	-	-
Capital outlay	11,100	9,336	(1,764)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	22,971	13,179	(9,792)	(406)
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	(11,100)	(1,256)	9,844	12,115
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	25
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	25
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(11,100)	(1,256)	9,844	12,140
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	48,884	48,884	-	36,744
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 37,784</u>	<u>\$ 47,628</u>	<u>\$ 9,844</u>	<u>\$ 48,884</u>

COUNTY OF CALHOUN, MICHIGAN
Veterans' Trust
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	12,000	10,300	(1,700)	8,637
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	12,000	10,300	(1,700)	8,637
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	12,000	12,824	824	12,140
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	12,000	12,824	824	12,140
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	(2,524)	(2,524)	(3,503)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	(2,524)	(2,524)	(3,503)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	3,623	3,623	-	7,126
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 3,623</u>	<u>\$ 1,099</u>	<u>\$ (2,524)</u>	<u>\$ 3,623</u>

COUNTY OF CALHOUN, MICHIGAN
Employee Benefits
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Amended Budget	Actual	Over (Under) Budget	2009
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	25,259	25,259	10,000
	-	25,259	25,259	10,000
Total revenue	-	25,259	25,259	10,000
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	13,991	13,991	8,680
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	13,991	13,991	8,680
Total expenditures	-	13,991	13,991	8,680
Revenue over (under) expenditures	-	11,268	11,268	1,320
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	11,268	11,268	1,320
Fund balance, beginning of year	1,899	1,899	-	579
Fund balance, end of year	\$ 1,899	\$ 13,167	\$ 11,268	\$ 1,899

NONMAJOR DEBT SERVICE FUNDS

Description of Funds
Combining Financial Statements

NONMAJOR DEBT SERVICE FUNDS

Jail Series III Refunding -- This fund is used to account for the retirement of refunding bonds issued in 1997. Funding is provided by a property tax levy.

Justice Center Refunding -- This fund is used to account for payment of principal and interest of bonds related to the Justice Center Complex project. Funding is provided through General Fund appropriations.

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	(368) Jail Series III Refunding	(370) Justice Center Refunding	Total
<hr/>			
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 6,905	\$ 1,168	\$ 8,073
Delinquent taxes receivable	13,210	-	13,210
<hr/>			
<u>TOTAL ASSETS</u>	\$ 20,115	\$ 1,168	\$ 21,283
<hr/>			
<u>LIABILITIES</u>			
<u>AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	13,204	-	13,204
<hr/>			
Total liabilities	13,204	-	13,204
<hr/>			
Fund balances			
Reserved for debt service	6,911	1,168	8,079
<hr/>			
<u>TOTAL LIABILITIES</u>	\$ 20,115	\$ 1,168	\$ 21,283
<u>AND FUND BALANCES</u>			

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

	(368) Jail Series III Refunding	(370) Justice Center Refunding	Total
Revenue			
Taxes	\$ 197	\$ -	\$ 197
Interest and rents	1	-	1
	<hr/> 198	<hr/> -	<hr/> 198
Expenditures			
Debt service:			
Principal	-	375,000	375,000
Interest and fiscal charges	-	220,276	220,276
	<hr/> -	<hr/> 595,276	<hr/> 595,276
Total expenditures	<hr/> -	<hr/> 595,276	<hr/> 595,276
Revenue over (under) expenditures	198	(595,276)	(595,078)
Other financing sources			
Transfers in	-	595,276	595,276
	<hr/> -	<hr/> 595,276	<hr/> 595,276
Total other financing sources	<hr/> -	<hr/> 595,276	<hr/> 595,276
Net change in fund balance	198	-	198
Fund balance, beginning of year	<hr/> 6,713	<hr/> 1,168	<hr/> 7,881
Fund balance, end of year	<hr/> \$ 6,911	<hr/> \$ 1,168	<hr/> \$ 8,079

NONMAJOR ENTERPRISE FUNDS

Description of Funds
Combining Financial Statements

ENTERPRISE FUNDS

Property Description -- This fund is used to account for the sale of property descriptions and aerial maps to the general public.

Sheriff Inmate Concession -- This fund is used to account for the operations of a store for Calhoun County Jail inmates. Funding is provided through sales of merchandise.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2010

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Assets			
Current assets -			
Cash and cash equivalents	\$ 5,914	\$ 195,251	\$ 201,165
Capital assets, net	1,395	-	1,395
Total assets	7,309	195,251	202,560
Current liabilities			
Accounts payable	-	102,854	102,854
Net assets			
Invested in capital assets	1,395	-	1,395
Unrestricted	5,914	92,397	98,311
Total net assets	\$ 7,309	\$ 92,397	\$ 99,706

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Operating revenue			
Charges for services	\$ -	\$ 744,102	\$ 744,102
Operating expenses			
Depreciation	930	-	930
Other	-	673,988	673,988
Total operating expenses	930	673,988	674,918
Income (loss) before transfers	(930)	70,114	69,184
Transfers			
Transfers out	-	(150,000)	(150,000)
Change in fund net assets	(930)	(79,886)	(80,816)
Net assets, beginning of year	8,239	172,283	180,522
Net assets, end of year	<u>\$ 7,309</u>	<u>\$ 92,397</u>	<u>\$ 99,706</u>

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Cash flows from operating activities			
Cash received from customers	\$ -	\$ 828,444	\$ 828,444
Cash payments to suppliers	-	(614,741)	(614,741)
Net cash provided by operating activities	-	213,703	213,703
Cash flows from noncapital financing activities			
Transfers out	-	(150,000)	(150,000)
Net increase in cash and cash equivalents	-	63,703	63,703
Cash and cash equivalents, beginning of year	5,914	131,548	137,462
Cash and cash equivalents, end of year	\$ 5,914	\$ 195,251	\$ 201,165
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (930)	\$ 70,114	\$ 69,184
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:			
Depreciation	930	-	930
Changes in assets and liabilities:			
Accounts receivable	-	84,342	84,342
Accounts payable	-	59,247	59,247
Net cash provided by operating activities	\$ -	\$ 213,703	\$ 213,703

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INTERNAL SERVICE FUNDS

Description of Funds
Combining Financial Statements

INTERNAL SERVICE FUNDS

Building & Grounds -- This fund is used to record the operation and maintenance of County buildings. Revenue is derived from building rents.

Administrative Services -- This fund is used to account for the operations of printing, mailing and telephone services, and data processing. Funding is provided through departmental user charges and contractual agreements.

Insurance -- This fund is used to account for the liability insurance coverage to the County. Funds are provided by a General Fund appropriation.

Employee Benefits -- This fund is used to account for various employee benefits which include health, dental, life, and disability insurance, and unemployment compensation claims. Funding is provided by charges to user departments.

Workers' Compensation -- This fund is used to record worker's compensation expenses and premium coverage from catastrophic loss. Financing for this fund is provided by departmental user charges.

Sick & Accident -- This fund is used to account for self-insured short-term disability claims. Funding is provided by charges to user departments.

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COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Assets				
Current assets:				
Cash and cash equivalents	\$ 615,886	\$ 158,712	\$ 490,096	\$ 884,140
Accounts receivable	126,296	4,049	912	128,314
Due from other governments	-	-	7,584	-
Due from other funds	-	15,588	-	-
Inventory	-	3,167	-	-
Prepaid items	-	15,727	27,730	421,243
Total current assets	742,182	197,243	526,322	1,433,697
Capital assets, net	2,331,270	172,211	-	-
Total assets	3,073,452	369,454	526,322	1,433,697
Liabilities				
Current liabilities:				
Accounts payable	92,460	36,899	-	25,692
Claims payable	-	-	383,424	-
Advances from other funds	191,340	-	-	-
Current portion of capital leases payable	-	55,964	-	-
Total current liabilities	283,800	92,863	383,424	25,692
Long-term liabilities -				
Capital leases payable	-	16,090	-	-
Total liabilities	283,800	108,953	383,424	25,692
Net assets				
Invested in capital assets, net of related debt	2,331,270	100,157	-	-
Unrestricted	458,382	160,344	142,898	1,408,005
Total net assets	\$ 2,789,652	\$ 260,501	\$ 142,898	\$ 1,408,005

(695) Workers' Compensation		(696) Sick & Accident		Total
\$	558,655	\$	88,082	\$ 2,795,571
	-		-	259,571
	-		-	7,584
	-		-	15,588
	-		-	3,167
	-		-	464,700
	558,655		88,082	3,546,181
	-		-	2,503,481
	558,655		88,082	6,049,662
	-		-	155,051
	164,346		-	547,770
	-		-	191,340
	-		-	55,964
	164,346		-	950,125
	-		-	16,090
	164,346		-	966,215
	-		-	2,431,427
	394,309		88,082	2,652,020
\$	394,309	\$	88,082	\$ 5,083,447

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Operating revenue				
Charges for services	\$ 925,064	\$ 1,141,025	\$ 8,503	\$ 6,339,619
Other	100,936	-	-	-
	<hr/> 1,026,000	<hr/> 1,141,025	<hr/> 8,503	<hr/> 6,339,619
Operating expenses				
Administration	-	-	-	98,063
Cost of services	2,234,559	1,073,596	560,492	6,023,581
Depreciation	270,121	116,531	-	-
	<hr/> 2,504,680	<hr/> 1,190,127	<hr/> 560,492	<hr/> 6,121,644
Total operating expenses				
	<hr/> 2,504,680	<hr/> 1,190,127	<hr/> 560,492	<hr/> 6,121,644
Operating income (loss)	(1,478,680)	(49,102)	(551,989)	217,975
Nonoperating revenue				
Interest revenue	-	-	1,031	-
	<hr/> -	<hr/> -	<hr/> 1,031	<hr/> -
Income (loss) before transfers	(1,478,680)	(49,102)	(550,958)	217,975
	<hr/> (1,478,680)	<hr/> (49,102)	<hr/> (550,958)	<hr/> 217,975
Transfers				
Transfers in	1,821,004	40,000	693,211	-
Transfers out	(393,520)	(375,000)	-	-
	<hr/> 1,427,484	<hr/> (335,000)	<hr/> 693,211	<hr/> -
Total transfers				
	<hr/> 1,427,484	<hr/> (335,000)	<hr/> 693,211	<hr/> -
Change in net assets	(51,196)	(384,102)	142,253	217,975
Net assets, beginning of year	2,840,848	644,603	645	1,190,030
	<hr/> 2,840,848	<hr/> 644,603	<hr/> 645	<hr/> 1,190,030
Net assets, end of year	<hr/> \$ 2,789,652	<hr/> \$ 260,501	<hr/> \$ 142,898	<hr/> \$ 1,408,005

(695) Workers' Compensation		(696) Sick & Accident		Total	
\$	327,462	\$	294,232	\$	9,035,905
	-		-		100,936
	327,462		294,232		9,136,841
	2,374		27,540		127,977
	158,390		213,593		10,264,211
	-		-		386,652
	160,764		241,133		10,778,840
	166,698		53,099		(1,641,999)
	-		-		1,031
	166,698		53,099		(1,640,968)
	-		-		2,554,215
	-		-		(768,520)
	-		-		1,785,695
	166,698		53,099		144,727
	227,611		34,983		4,938,720
\$	394,309	\$	88,082	\$	5,083,447

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Cash flows from operating activities			
Cash received from interfund services	\$ 902,398	\$ 1,133,796	\$ 8,636
Cash payments to suppliers	(1,673,310)	(687,505)	(705,025)
Cash payments to employees	(635,381)	(334,283)	-
Net cash provided by (used in) operating activities	(1,406,293)	112,008	(696,389)
Cash flows from noncapital financing activities			
Transfers in	1,821,004	40,000	693,211
Transfers out	(393,520)	(375,000)	-
Net cash provided by (used in) noncapital financing activities	1,427,484	(335,000)	693,211
Cash flows from capital and related financing activities			
Purchase of capital assets	(126,054)	(6,982)	-
Capital lease payments	-	(78,915)	-
Net cash used in capital and related financing activities	(126,054)	(85,897)	-
Cash flows from investing activities			
Interest earned	-	-	1,031
Net increase (decrease) in cash and cash equivalents	(104,863)	(308,889)	(2,147)
Cash and cash equivalents, beginning of year	720,749	467,601	492,243
Cash and cash equivalents, end of year	<u>\$ 615,886</u>	<u>\$ 158,712</u>	<u>\$ 490,096</u>

(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 6,225,350	\$ 327,462	\$ 294,232	\$ 8,891,874
(6,701,521)	(214,185)	(241,133)	(10,222,679)
-	-	-	(969,664)
(476,171)	113,277	53,099	(2,300,469)
-	-	-	2,554,215
-	-	-	(768,520)
-	-	-	1,785,695
-	-	-	(133,036)
-	-	-	(78,915)
-	-	-	(211,951)
-	-	-	1,031
(476,171)	113,277	53,099	(725,694)
1,360,311	445,378	34,983	3,521,265
\$ 884,140	\$ 558,655	\$ 88,082	\$ 2,795,571

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows (Concluded)
Internal Service Funds
For the Year Ended December 31, 2010

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
<hr/>			
Reconciliation of operating income (loss)			
to net cash provided by (used in)			
operating activities			
Operating income (loss)	\$ (1,478,680)	\$ (49,102)	\$ (551,989)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operations:			
Depreciation	270,121	116,531	-
Changes in assets and liabilities:			
Accounts receivable	(123,602)	(1,513)	(911)
Due from other governments	-	9,872	1,044
Due from other funds	-	(15,588)	-
Inventory	-	1,139	-
Prepaid items	-	64,655	63,994
Accounts payable	(36,457)	(13,920)	(4,278)
Advances from other funds	(26,791)	-	-
Claims payable	-	-	(204,249)
Unearned revenue	(10,884)	(66)	-
	<hr/>		
Net cash provided by (used in)			
operating activities	<u>\$ (1,406,293)</u>	<u>\$ 112,008</u>	<u>\$ (696,389)</u>

(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 217,975	\$ 166,698	\$ 53,099	\$ (1,641,999)
-	-	-	386,652
(114,269)	-	-	(240,295)
-	-	-	10,916
-	-	-	(15,588)
-	-	-	1,139
(214,357)	-	-	(85,708)
(4,034)	-	-	(58,689)
-	-	-	(26,791)
(361,486)	(53,421)	-	(619,156)
-	-	-	(10,950)
\$ (476,171)	\$ 113,277	\$ 53,099	\$ (2,300,469)

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FIDUCIARY FUNDS

Description of Funds
Combining Financial Statements

FIDUCIARY FUNDS

PENSION TRUST FUNDS:

Employees Defined Benefit -- This fund is used to account for the operations of the Defined Benefit Pension Plan.

Flexible Benefits -- This fund is used to account for flexible spending accounts for dependent care and health care reimbursement.

AGENCY FUNDS:

Trust and Agency -- This fund is used to account for assets held by Calhoun County acting as an agent for individuals, private organizations, other governmental units, and other funds.

Penal Fines -- This fund is used to account for money that is received from the courts for fines imposed as a result of State law violations.

Inmate Trust -- This fund is used to account for inmate monies held by the County while incarcerated.

Friend of the Court -- This fund is used to account for monies collected from non-custodial parents for distribution to custodial parents and/or other governmental units.

District Court -- This fund is used to account for various fines and bonds collected and subsequently distributed.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2010

	(735) Employees Defined Benefit	(734) Flexible Benefits	Total
Assets			
Cash and cash equivalents	\$ 78,808	\$ 76,574	\$ 155,382
Investments -			
Mutual and cash management funds	13,701,701	-	13,701,701
 Total assets	 13,780,509	 76,574	 13,857,083
Liabilities			
Accounts payable	-	30,000	30,000
Net assets held in trust for			
Retirement benefits	13,780,509	-	13,780,509
Employee benefits	-	46,574	46,574
 Total net assets	 \$ 13,780,509	 \$ 46,574	 \$ 13,827,083

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2010

	(735) Employees Defined Benefit	(734) Flexible Benefits	Total
Additions:			
Investment income:			
Change in fair value of investments	\$ 1,477,490	\$ -	\$ 1,477,490
Interest	213,111	-	213,111
Net investment gain	1,690,601	-	1,690,601
Contributions:			
Employer	883,337	-	883,337
Employee	1,194,833	212,377	1,407,210
Total contributions	2,078,170	212,377	2,290,547
Total additions	3,768,771	212,377	3,981,148
Deductions:			
Pension benefits paid to participants	599,343	-	599,343
Actuarial fees	22,217	-	22,217
Refunds	242,354	-	242,354
Employee reimbursements	-	214,218	214,218
Total deductions	863,914	214,218	1,078,132
Net increase (decrease)	2,904,857	(1,841)	2,903,016
Net assets held in trust for pension and employee benefits			
Beginning of year	10,875,652	48,415	10,924,067
End of year	\$ 13,780,509	\$ 46,574	\$ 13,827,083

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2010

	Trust and Agency	Penal Fines	Inmate Trust	Friend of the Court	District Court	Total
Assets						
Cash and cash equivalents	\$ 854,165	\$ 180,399	\$ 207,894	\$ 7,797	\$ 463,795	\$ 1,714,050
Accounts receivable	(2,554)	27,629	-	-	-	25,075
Due from other governments	32,880	-	-	-	-	32,880
Total assets	<u>\$ 884,491</u>	<u>\$ 208,028</u>	<u>\$ 207,894</u>	<u>\$ 7,797</u>	<u>\$ 463,795</u>	<u>\$ 1,772,005</u>
Liabilities						
Accounts payable	\$ 172,424	\$ -	\$ -	\$ -	\$ -	\$ 172,424
Due to individuals and agencies	335,920	-	207,894	7,797	463,795	1,015,406
Due to other governments	376,147	208,028	-	-	-	584,175
Total liabilities	<u>\$ 884,491</u>	<u>\$ 208,028</u>	<u>\$ 207,894</u>	<u>\$ 7,797</u>	<u>\$ 463,795</u>	<u>\$ 1,772,005</u>

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Reductions	Ending Balance
<u>TRUST AND AGENCY FUND</u>				
Assets				
Cash	\$ 1,031,185	\$ 29,116,379	\$ 29,293,399	\$ 854,165
Accounts receivable	123,628	714,414	840,596	(2,554)
Due from other governments	143,310	212,189	322,619	32,880
Total assets	\$ 1,298,123	\$ 30,042,982	\$ 30,456,614	\$ 884,491
Liabilities				
Accounts payable	\$ 502,480	\$ 18,646,280	\$ 18,976,336	\$ 172,424
Due to individuals and agencies	376,524	2,178,033	2,218,637	335,920
Due to other governments	419,119	18,278,867	18,321,839	376,147
Total liabilities	\$ 1,298,123	\$ 39,103,180	\$ 39,516,812	\$ 884,491
<u>PENAL FINES</u>				
Assets				
Cash	\$ 160,202	\$ 608,420	\$ 588,223	\$ 180,399
Accounts receivable	37,676	27,629	37,676	27,629
Total assets	\$ 197,878	\$ 636,049	\$ 625,899	\$ 208,028
Liabilities				
Due to other governments	\$ 197,878	\$ 656,457	\$ 646,307	\$ 208,028

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Continued)
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Reductions	Ending Balance
<u>SHERIFF INMATE TRUST FUND</u>				
Assets				
Cash and cash equivalents	\$ 166,510	\$ 163,349	\$ 121,965	\$ 207,894
Liabilities				
Due to individuals and agencies	\$ 166,510	\$ 2,920,331	\$ 2,878,947	\$ 207,894
<u>FRIEND OF THE COURT FUND</u>				
Assets				
Cash and cash equivalents	\$ 6,725	\$ 1,085,589	\$ 1,084,517	\$ 7,797
Liabilities				
Due to individuals and agencies	\$ 6,725	\$ 1,085,589	\$ 1,084,517	\$ 7,797
<u>DISTRICT COURT FUND</u>				
Assets				
Cash and cash equivalents	\$ 502,841	\$ 6,713,124	\$ 6,752,170	\$ 463,795
Liabilities				
Due to individuals and agencies	\$ 502,841	\$ 6,713,124	\$ 6,752,170	\$ 463,795

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Concluded)
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Reductions	Ending Balance
<u>TOTAL ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 1,867,463	\$ 37,686,861	\$ 37,840,274	\$ 1,714,050
Accounts receivable	161,304	742,043	878,272	25,075
Due from other governments	143,310	212,189	322,619	32,880
	<hr/>			
Total assets	\$ 2,172,077	\$ 38,641,093	\$ 39,041,165	\$ 1,772,005
	<hr/>			
Liabilities				
Accounts payable	\$ 502,480	\$ 18,646,280	\$ 18,976,336	\$ 172,424
Due to individuals and agencies	1,052,600	12,897,077	12,934,271	1,015,406
Due to other governments	616,997	18,935,324	18,968,146	584,175
	<hr/>			
Total liabilities	\$ 2,172,077	\$ 50,478,681	\$ 50,878,753	\$ 1,772,005
	<hr/>			

WATER RESOURCES COMMISSION COMPONENT UNIT

Description of Funds
Combining Component Unit Financial Statements

WATER RESOURCES COMMISSION COMPONENT UNIT

County Drain -- This fund is used to record construction, maintenance and storm repair expenditures for all drains which are not accounted for in other drain capital projects funds.

Lake Level -- This fund is used to account for revenues and expenditures related to the control of lake levels.

Drain Revolving -- This fund is used to account for monies advanced for engineering, surveys, and other preliminary costs of new drains. Monies for the operation of this fund are supplied by an advance from the County General Fund and reimbursements from drain funds as special assessments are collected.

Lake Level Revolving -- This fund is used to account for money advanced for engineering and other preliminary costs of a lake level project.

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COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Statement of Net Assets / Governmental Funds Balance Sheet
December 31, 2010

	Capital Projects Funds			
	County Drain	Lake Level	Drain Revolving	Lake Level Revolving
Assets				
Cash and cash equivalents	\$ -	\$ 3,673	\$ 44,446	\$ 13,135
Receivables:				
Accrued interest	236	40	-	-
Special assessments	2,453,318	265,755	-	-
Due from other governments	-	-	-	-
Due from other funds	-	2,535	21,554	-
Capital assets, net	-	-	-	-
Total assets	\$ 2,453,554	\$ 272,003	\$ 66,000	\$ 13,135
Liabilities				
Accounts payable	\$ 110,973	\$ 1,525	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	21,554	-	-	2,535
Due to primary government	255,829	-	-	-
Advance from primary government	-	-	66,000	10,600
Deferred revenue	2,539,458	270,478	-	-
Long-term debt:				
Due in one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	2,927,814	272,003	66,000	13,135
Fund balances				
Unreserved, undesignated (deficit)	(474,260)	-	-	-
Total liabilities and fund balances	\$ 2,453,554	\$ 272,003	\$ 66,000	\$ 13,135
Net assets				
Invested in capital assets, net of related debt				
Unrestricted				
Total net assets				

Total	Adjustments	Statement of Net Assets
\$ 61,254	\$ -	\$ 61,254
276	-	276
2,719,073	-	2,719,073
-	-	-
24,089	(24,089)	-
-	5,348,490	5,348,490
<u>\$ 2,804,692</u>	<u>5,324,401</u>	<u>8,129,093</u>
\$ 112,498	\$ -	\$ 112,498
-	160,636	160,636
24,089	(24,089)	-
255,829	-	255,829
76,600	-	76,600
2,809,936	(2,809,936)	-
-	719,872	719,872
-	1,652,554	1,652,554
3,278,952	(300,963)	2,977,989
(474,260)	474,260	-
<u>\$ 2,804,692</u>		
	2,976,064	2,976,064
	2,175,040	2,175,040
	<u>\$ 5,151,104</u>	<u>\$ 5,151,104</u>

COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Reconciliation of Fund Balances of
Governmental Funds to Net Assets
December 31, 2010

Fund balances - total capital projects funds	\$ (474,260)
----------------------------------------------	--------------

Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources, and therefore not reported in the funds.

Add - capital assets being depreciated, net	5,348,490
---------------------------------------------	-----------

Because the focus of capital projects funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the capital projects funds, and thus are not included in fund balance.

Add - deferred special assessments receivable	2,809,936
-----------------------------------------------	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deduct - bonds payable, long-term portion	(1,652,554)
-------------------------------------------	-------------

Deduct - bonds payable, current portion	(719,872)
-----------------------------------------	-----------

Deduct - accrued interest on long-term liabilities	(160,636)
----------------------------------------------------	-----------

Net assets	\$ <u>5,151,104</u>
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COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Statement of Activities / Governmental Funds Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2010

	Capital Projects Funds			
	County Drain	Lake Level	Drain Revolving	Lake Level Revolving
Revenue				
Special assessments	\$ 424,161	\$ 25,047	\$ -	\$ -
Interest and rentals	28,355	178	-	-
Total revenue	452,516	25,225	-	-
Expenditures/Expense				
Public works	1,369,064	21,594	-	-
Debt service:				
Principal	513,247	6,500	-	-
Interest and fiscal charges	76,667	3,707	-	-
Total expenditures/expenses	1,958,978	31,801	-	-
Revenue under expenditures	(1,506,462)	(6,576)	-	-
Other financing sources				
Note proceeds	1,021,755	-	-	-
Change in net assets / fund balance	(484,707)	(6,576)	-	-
Net assets / fund balances (deficit) -				
Beginning of year	10,447	6,576	-	-
End of year	\$ (474,260)	\$ -	\$ -	\$ -

Total		Adjustments		Statement of Activities	
\$	449,208	\$	1,554,800	\$	2,004,008
	28,533		-		28,533
	477,741		1,554,800		2,032,541
	1,390,658		(1,174,524)		216,134
	519,747		(519,747)		-
	80,374		12,087		92,461
	1,990,779		(1,682,184)		308,595
	(1,513,038)		3,236,984		
	1,021,755		(1,021,755)		
	(491,283)		2,215,229		1,723,946
	17,023		3,410,135		3,427,158
\$	(474,260)	\$	5,625,364	\$	5,151,104

COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Net change in fund balances - total capital projects funds	\$	(491,283)
------------------------------------------------------------	----	-----------

Amounts reported in the statement of activities are different because:

Capital projects funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay		1,276,211
Deduct - depreciation expense		(101,687)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Deduct - change in deferred special assessments		1,554,800
-------------------------------------------------	--	-----------

Bond proceeds provide current financial resources to capital projects funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the capital projects funds, but the repayment reduces long term-liabilities.

Add - principal payments on long-term liabilities		519,747
Deduct - proceeds from the issuance of notes payable		(1,021,755)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in capital projects funds.

Deduct - change in accrued interest on bonds		(12,087)
----------------------------------------------	--	----------

Change in net assets	\$	<u><u>1,723,946</u></u>
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STATISTICAL SECTION

STATISTICAL SECTION

This part of Calhoun County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
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Schedule 18 - Schedule of Insurance	

CALHOUN COUNTY
Net Assets by Component
Last Eight Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net								
of related debt	\$ 24,917,772	\$ 26,187,657	\$ 26,169,587	\$ 26,820,780	\$ 26,678,844	\$ 26,076,987	\$ 25,589,514	\$ 25,936,451
Restricted	3,175,553	7,352,100	9,761,506	12,578,097	10,339,244	8,086,613	5,547,217	36,546
Unrestricted	4,078,915	3,095,329	2,485,207	3,163,653	5,480,540	5,222,655	4,471,520	8,576,593
Total governmental activities net assets	<u>\$ 32,172,240</u>	<u>\$ 36,635,086</u>	<u>\$ 38,416,300</u>	<u>\$ 42,562,530</u>	<u>\$ 42,498,628</u>	<u>\$ 39,386,255</u>	<u>\$ 35,608,251</u>	<u>\$ 34,549,590</u>
Business-type activities								
Invested in capital assets, net								
of related debt	\$ 2,667,701	\$ 2,368,673	\$ 2,383,023	\$ 2,088,376	\$ 6,786,181	\$ 9,959,362	\$ 10,210,371	\$ 9,857,671
Restricted	8,150,319	8,150,319	6,473,620	16,933,437	11,789,273	12,100,292	12,210,002	11,845,954
Unrestricted	14,459,298	15,396,070	18,010,841	10,079,667	12,230,406	9,166,103	9,023,351	10,420,761
Total business-type activities net assets	<u>\$ 25,277,318</u>	<u>\$ 25,915,062</u>	<u>\$ 26,867,484</u>	<u>\$ 29,101,480</u>	<u>\$ 30,805,860</u>	<u>\$ 31,225,757</u>	<u>\$ 31,443,724</u>	<u>\$ 32,124,386</u>
Primary government								
Invested in capital assets, net								
of related debt	\$ 27,585,473	\$ 28,556,330	\$ 28,552,610	\$ 28,909,156	\$ 33,465,025	\$ 36,036,349	\$ 35,799,885	\$ 35,794,122
Restricted	11,325,872	15,502,419	16,235,126	29,511,534	22,128,517	20,186,905	17,757,219	11,882,500
Unrestricted	18,538,213	18,491,399	20,496,048	13,243,320	17,710,946	14,388,758	13,494,871	18,997,354
Total primary government net assets	<u>\$ 57,449,558</u>	<u>\$ 62,550,148</u>	<u>\$ 65,283,784</u>	<u>\$ 71,664,010</u>	<u>\$ 73,304,488</u>	<u>\$ 70,612,012</u>	<u>\$ 67,051,975</u>	<u>\$ 66,673,976</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

CALHOUN COUNTY
Changes in Net Assets
Last Eight Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
Legislative	\$ 245,482	\$ 230,854	\$ 235,010	\$ 230,620	\$ 259,468	\$ 264,497	\$ 278,218	\$ 250,890
Judicial	11,635,598	11,569,900	12,423,746	12,482,683	12,838,999	13,101,700	13,276,476	12,833,338
General government	3,837,550	6,532,765	6,684,366	6,577,864	6,663,685	7,155,740	7,301,080	8,532,341
Public safety	16,317,111	17,320,180	18,481,346	18,139,312	19,222,310	20,020,438	20,025,881	20,117,862
Public works	86,098	81,496	105,166	104,239	98,130	120,455	102,313	127,581
Health and welfare	13,456,711	14,241,240	14,834,373	14,017,558	12,282,729	12,661,937	12,721,317	13,427,197
Recreation and cultural	1,304,732	1,285,261	1,286,701	1,489,081	1,349,696	1,395,784	1,212,391	1,654,434
Other activities	2,372,566	211,442	2,174	-	-	-	-	-
Interest on long-term debt	556,947	416,703	349,726	317,147	574,504	272,244	256,847	240,443
Total governmental activities expenses	49,812,795	51,889,841	54,402,608	53,358,504	53,289,521	54,992,795	55,174,523	57,184,086
Business-type activities:								
Medical Care Facility	9,238,743	9,163,132	9,183,020	10,493,607	10,619,996	12,145,234	12,339,701	12,930,706
Delinquent tax collection	154,424	238,944	299,849	279,085	478,706	484,567	616,862	705,342
Inmate concessions	575,324	620,706	697,820	664,950	628,914	603,588	627,488	673,988
Property description	50,029	52,116	51,299	2,136	1,911	1,253	876	930
Interest on long-term debt	-	-	-	-	-	-	292,920	301,231
Total business-type activities expenses	10,018,520	10,074,898	10,231,988	11,439,778	11,729,527	13,234,642	13,877,847	14,612,197
Total primary government expenses	59,831,315	61,964,739	64,634,596	64,798,282	65,019,048	68,227,437	69,052,370	71,796,283
Program revenues								
Governmental activities:								
Charges for services:								
Legislative	-	-	60	2,647	845	-	46	-
Judicial	4,068,932	3,971,477	4,093,128	4,252,948	4,132,091	3,901,000	3,988,700	3,985,650
General government	1,772,050	1,608,462	1,628,439	1,508,235	1,409,489	1,297,654	1,067,510	1,616,231
Public safety	5,465,928	5,462,496	5,594,938	6,501,626	6,862,744	7,971,988	7,180,480	7,177,247
Public works	-	-	-	-	-	-	-	-
Health and welfare	770,827	799,523	812,865	786,829	784,818	715,933	759,116	727,069
Recreation and cultural	469,278	438,780	439,650	412,788	353,095	353,486	375,826	448,453
Operating grants and contributions	17,068,133	16,455,320	15,863,153	15,807,506	14,451,313	12,847,689	12,946,254	16,831,288
Capital grants and contributions	-	31,424	-	-	-	-	-	-
Total governmental activities program revenues	29,615,148	28,767,482	28,432,233	29,272,579	27,994,395	27,087,750	26,317,932	30,785,938
Business-type activities:								
Charges for services:								
Medical Care Facility	8,380,924	8,883,836	8,906,789	10,356,094	9,875,996	10,423,707	11,427,560	12,269,852
Delinquent tax collection	1,532,047	1,306,302	1,596,744	2,143,574	2,156,518	2,555,513	2,579,770	3,072,755
Inmate concession	626,433	707,365	786,296	789,694	738,156	754,476	814,302	744,102
Property description	1,293	1,857	1,976	-	-	-	-	-
Operating grants and contributions	442,177	631,816	1,001,194	1,330,785	1,196,474	453,690	72,060	103,277
Total business-type activities program revenues	10,982,874	11,531,176	12,292,999	14,620,147	13,967,144	14,187,386	14,893,692	16,189,986
Total primary government program revenues	40,598,022	40,298,658	40,725,232	43,892,726	41,961,539	41,275,136	41,211,624	46,975,924
Net (Expense)/Revenue								
Government activities	(20,197,647)	(23,122,359)	(25,970,375)	(24,085,925)	(25,295,126)	(27,905,045)	(28,856,591)	(26,398,148)
Business-type activities	964,354	1,456,278	2,061,011	3,180,179	2,237,617	952,744	1,015,845	1,577,789
Total primary government net expense	(19,233,293)	(21,666,081)	(23,909,364)	(20,905,746)	(23,057,509)	(26,952,301)	(27,840,746)	(24,820,359)

CALHOUN COUNTY
Changes in Net Assets (Concluded)
Last Eight Fiscal Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues								
Governmental activities:								
Property taxes	\$ 19,314,374	\$ 25,299,765	\$ 24,740,374	\$ 25,284,240	\$ 22,437,356	\$ 22,440,230	\$ 22,759,037	\$ 22,893,128
Unrestricted grants and contributions	447,192	486,212	469,410	486,774	512,072	541,822	554,629	561,128
Investment earnings	180,688	200,159	400,343	636,463	622,787	289,912	49,710	1,400
Gain on sale of capital assets	10,148	150	49,119	5,900	676	-	-	-
Transfers	1,112,441	1,604,755	1,989,009	1,863,778	1,658,333	1,520,708	1,714,633	1,883,831
Total governmental activities	<u>21,064,843</u>	<u>27,591,041</u>	<u>27,648,255</u>	<u>28,277,155</u>	<u>25,231,224</u>	<u>24,792,672</u>	<u>25,078,009</u>	<u>25,339,487</u>
Business-type activities:								
Property taxes	761,311	786,221	880,423	917,934	929,771	995,653	919,795	976,111
Investment earnings	-	-	-	-	-	-	-	16,762
Transfers	(1,112,441)	(1,604,755)	(1,989,009)	(1,864,117)	(1,658,333)	(1,528,500)	(1,717,673)	(1,890,000)
Total business-type activities	<u>(351,130)</u>	<u>(818,534)</u>	<u>(1,108,586)</u>	<u>(946,183)</u>	<u>(728,562)</u>	<u>(532,847)</u>	<u>(797,878)</u>	<u>(897,127)</u>
Total primary government	<u>20,713,713</u>	<u>26,772,507</u>	<u>26,539,669</u>	<u>27,330,972</u>	<u>24,502,662</u>	<u>24,259,825</u>	<u>24,280,131</u>	<u>24,442,360</u>
Change in Net Assets								
Government activities	867,196	4,468,682	1,677,880	4,191,230	(63,902)	(3,112,373)	(3,778,582)	(1,058,661)
Business-type activities	613,224	637,744	952,425	2,233,996	1,509,055	419,897	217,967	680,662
Total primary government	<u>\$ 1,480,420</u>	<u>\$ 5,106,426</u>	<u>\$ 2,630,305</u>	<u>\$ 6,425,226</u>	<u>\$ 1,445,153</u>	<u>\$ (2,692,476)</u>	<u>\$ (3,560,615)</u>	<u>\$ (377,999)</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

CALHOUN COUNTY
Fund Balances - Governmental Funds
Last Eight Years (A)
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund								
Reserved	\$ 77,200	\$ 76,600	\$ 76,600	\$ 77,520	\$ 77,180	\$ 77,225	\$ 79,536	\$ 86,261
Unreserved	<u>3,171,366</u>	<u>2,281,002</u>	<u>1,952,034</u>	<u>2,912,949</u>	<u>3,458,805</u>	<u>3,846,820</u>	<u>3,779,909</u>	<u>3,935,468</u>
Total general fund	<u>\$ 3,248,566</u>	<u>\$ 2,357,602</u>	<u>\$ 2,028,634</u>	<u>\$ 2,990,469</u>	<u>\$ 3,535,985</u>	<u>\$ 3,924,045</u>	<u>\$ 3,859,445</u>	<u>\$ 4,021,729</u>
All Other Governmental Funds								
Reserved	\$ -	\$ 9,659	\$ 5,312	\$ 38,503	\$ 64,050	\$ 55,518	\$ 60,101	\$ 57,658
Unreserved, reported in:								
Special revenue funds	2,395,502	7,226,693	9,624,240	12,375,818	10,297,586	7,984,985	5,437,098	3,998,967
Debt service funds	772,821	12,167	129,783	123,662	4,691	7,580	7,881	8,079
Capital project funds	-	-	-	-	-	-	276,476	1,451,863
Permanent funds	<u>37,864</u>	<u>38,002</u>	<u>38,453</u>	<u>2,304</u>	<u>1,456</u>	<u>1,806</u>	<u>1,332</u>	<u>1,184</u>
Total all other governmental funds	<u>\$ 3,206,187</u>	<u>\$ 7,286,521</u>	<u>\$ 9,797,788</u>	<u>\$ 12,540,287</u>	<u>\$ 10,367,783</u>	<u>\$ 8,049,889</u>	<u>\$ 5,782,888</u>	<u>\$ 5,517,751</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

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CALHOUN COUNTY
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005
Revenues					
Taxes and Special Assessments	\$ 18,420,927	\$ 19,482,824	\$ 19,706,493	\$ 25,559,576	\$ 24,734,469
Licenses and permits	364,529	412,396	3,180,063	3,591,686	4,347,485
Intergovernmental	16,518,140	16,377,836	12,597,492	11,889,121	10,787,120
Charges for services	9,070,713	10,577,756	10,827,782	10,662,423	10,677,921
Fines and forfeits	948,283	1,069,140	950,419	810,869	1,149,638
Interest and rents	816,258	533,812	840,193	674,843	596,957
Other revenues	1,774,171	2,089,614	1,546,983	1,482,186	1,804,723
Total revenues	47,913,021	50,543,378	49,649,425	54,670,704	54,098,313
Expenditures					
Legislative	186,123	217,551	195,403	187,300	185,610
Judicial	10,321,972	10,534,792	10,738,937	10,892,938	11,571,595
General government	4,971,155	5,445,848	10,373,446	5,999,219	6,161,596
Public safety	12,249,852	13,357,586	14,329,568	15,584,368	16,129,522
Public works	90,194	74,217	198,143	81,496	105,166
Health and Welfare	13,838,748	13,990,987	8,883,689	14,398,696	14,815,786
Recreation and cultural	-	-	1,094,946	1,104,299	1,200,254
Other activities	3,056,857	3,354,903	2,372,566	2,537,423	2,390,705
Debt service:					
Principal	2,371,980	2,279,416	3,677,737	2,085,571	624,042
Interest and fiscal charges	823,743	712,096	564,769	422,985	356,827
Bond issuance costs	-	-	-	-	-
Capital outlay	197,633	412,460	536,599	695,465	839,730
Total expenditures	48,108,257	50,379,856	52,965,803	53,989,760	54,380,833
Revenues over (under) expenditures	(195,236)	163,522	(3,316,378)	680,944	(282,520)
Other financing sources (uses)					
Issuance of refunding bonds	-	-	-	-	-
Discount on refunding bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Capital lease proceeds	-	-	-	67,000	45,000
Sale of capital assets	-	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-	-
Discount on issuance of long-term debt	-	-	-	-	-
Transfers in	6,887,240	7,534,019	8,157,974	10,117,868	10,820,769
Transfers out	(5,871,448)	(5,608,885)	(6,961,172)	(7,670,606)	(8,504,284)
Transfer to comp unit	-	-	-	-	-
Total other financing sources (uses)	1,015,792	1,925,134	1,196,802	2,514,262	2,361,485
Net changes in fund balances	<u>\$ 820,556</u>	<u>\$ 2,088,656</u>	<u>\$ (2,119,576)</u>	<u>\$ 3,195,206</u>	<u>\$ 2,078,965</u>
Debt services as a percentage of noncapital expenditures	<u>6.7%</u>	<u>6.0%</u>	<u>8.1%</u>	<u>4.7%</u>	<u>1.8%</u>

Source: Calhoun County Finance Department

Schedule 4
UNAUDITED

2006	2007	2008	2009	2010
\$ 25,168,976	\$ 21,400,223	\$ 22,478,088	\$ 22,657,267	\$ 22,979,378
397,905	392,035	394,030	395,878	402,664
14,150,759	12,568,945	11,530,118	11,842,963	15,968,120
11,885,817	11,946,966	12,717,043	11,902,986	11,945,702
1,066,578	988,473	964,055	908,873	913,638
1,016,798	765,357	353,734	56,608	10,735
2,104,470	2,417,036	2,042,352	1,867,276	2,319,747
<u>55,791,303</u>	<u>50,479,035</u>	<u>50,479,420</u>	<u>49,631,851</u>	<u>54,539,984</u>
188,974	219,096	216,517	225,825	211,400
11,538,869	12,107,452	12,184,736	12,210,472	11,935,289
6,074,052	6,332,872	6,648,296	6,550,295	7,880,304
15,940,259	17,032,519	17,574,031	17,485,169	17,860,378
104,239	98,130	120,455	102,313	127,581
14,123,808	12,937,365	12,694,322	12,693,853	13,666,404
1,430,257	1,213,583	1,229,966	1,038,774	1,515,904
2,339,609	2,435,509	2,384,940	2,477,713	113,599
676,077	710,349	564,963	353,845	464,594
324,464	293,036	138,127	379,277	280,954
-	-	172,464	-	84,761
1,082,921	439,715	416,476	404,020	7,818,968
<u>53,823,529</u>	<u>53,819,626</u>	<u>54,345,293</u>	<u>53,921,556</u>	<u>61,960,136</u>
<u>1,967,774</u>	<u>(3,340,591)</u>	<u>(3,865,873)</u>	<u>(4,289,705)</u>	<u>(7,420,152)</u>
-	-	6,855,000	-	-
-	-	(73,282)	-	-
-	-	(6,609,254)	-	-
28,860	16,445	33,759	-	259,960
-	-	-	-	22,203
-	-	-	-	7,000,000
-	-	-	-	(63,000)
10,492,532	10,817,012	10,689,617	11,144,291	11,326,588
(8,739,832)	(9,119,854)	(8,959,801)	(9,186,766)	(11,228,452)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,781,560</u>	<u>1,713,603</u>	<u>1,936,039</u>	<u>1,957,525</u>	<u>7,317,299</u>
<u>\$ 3,749,334</u>	<u>\$ (1,626,988)</u>	<u>\$ (1,929,834)</u>	<u>\$ (2,332,180)</u>	<u>\$ (102,853)</u>
<u>1.9%</u>	<u>1.9%</u>	<u>1.3%</u>	<u>1.4%</u>	<u>1.4%</u>

CALHOUN COUNTY
Changes in Fund Balances - General Fund
Last Ten Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005
Revenues					
Taxes	\$ 13,583,507	\$ 14,255,700	\$ 15,253,145	\$ 15,585,141	\$ 15,933,547
Licenses and permits	83,430	77,441	72,586	84,729	93,439
Intergovernmental	6,123,174	6,017,173	5,441,526	4,323,001	3,009,127
Charges for services	8,109,078	9,652,108	10,033,582	9,887,270	9,876,911
Fines and forfeits	930,530	1,061,352	895,844	800,899	1,117,372
Interest and rents	414,688	232,873	179,922	199,462	316,649
Other revenues	691,329	662,400	625,894	603,932	966,515
Total revenues	<u>29,935,736</u>	<u>31,959,047</u>	<u>32,502,499</u>	<u>31,484,434</u>	<u>31,313,560</u>
Expenditures					
Legislative	186,123	217,551	195,403	187,300	185,610
Judicial	7,243,503	7,316,118	7,518,324	7,880,352	8,156,960
General government	4,971,155	5,445,848	5,635,978	5,999,219	6,161,596
Public safety	10,279,917	11,021,344	11,781,114	12,677,734	12,926,533
Public works	90,194	74,217	86,098	81,496	105,166
Health and welfare	837,555	857,107	894,540	885,481	909,717
Other activities	2,199,487	2,314,669	2,371,940	2,406,961	2,385,234
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	54,604	225,800	153,947	223,758	139,064
Less: reimbursements	-	-	-	-	-
Total expenditures	<u>25,862,538</u>	<u>27,472,654</u>	<u>28,637,344</u>	<u>30,342,301</u>	<u>30,969,880</u>
Revenues over (under) expenditures	<u>4,073,198</u>	<u>4,486,393</u>	<u>3,865,155</u>	<u>1,142,133</u>	<u>343,680</u>
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	-	-
Transfers in	1,904,066	2,286,656	1,214,485	3,978,007	4,974,613
Transfers out	(5,745,885)	(5,496,227)	(5,492,367)	(6,005,268)	(5,647,261)
Total other financing sources (uses)	<u>(3,841,819)</u>	<u>(3,209,571)</u>	<u>(4,277,882)</u>	<u>(2,027,261)</u>	<u>(672,648)</u>
Net changes in fund balances	<u>\$ 231,379</u>	<u>\$ 1,276,822</u>	<u>\$ (412,727)</u>	<u>\$ (885,128)</u>	<u>\$ (328,968)</u>

Source: Calhoun County Finance Department

Schedule 5
UNAUDITED

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 16,449,007	\$ 17,941,376	\$ 18,778,923	\$ 18,967,117	\$ 18,812,426
76,368	69,367	82,026	92,305	93,879
2,972,748	3,026,542	2,323,593	2,709,617	4,952,000
10,884,532	11,073,182	11,875,775	10,988,413	11,001,832
1,039,297	959,290	944,600	839,661	886,690
378,759	310,609	176,391	36,131	369
1,033,703	1,153,374	972,166	956,538	1,969,788
<u>32,834,414</u>	<u>34,533,740</u>	<u>35,153,474</u>	<u>34,589,782</u>	<u>37,716,984</u>
188,974	219,096	216,517	225,825	211,400
8,072,594	8,426,653	8,307,102	8,244,694	8,038,744
6,074,052	6,332,872	6,648,296	6,541,615	7,298,645
12,935,873	14,130,604	15,159,727	14,875,384	15,631,942
104,239	98,130	120,455	102,313	127,581
943,284	689,356	656,654	985,895	922,021
2,321,051	2,433,524	2,383,042	2,459,207	113,294
-	16,409	28,308	13,845	18,717
-	1,351	1,359	1,527	669
161,241	185,904	180,316	148,159	40,694
9,261	-	-	-	-
<u>30,810,569</u>	<u>32,533,899</u>	<u>33,701,776</u>	<u>33,598,464</u>	<u>32,403,707</u>
<u>2,023,845</u>	<u>1,999,841</u>	<u>1,451,698</u>	<u>991,318</u>	<u>5,313,277</u>
28,860	16,445	33,759	-	21,147
4,720,992	4,704,474	4,833,977	4,987,276	4,259,797
(5,811,862)	(6,175,244)	(5,931,374)	(6,043,194)	(9,431,937)
<u>(1,062,010)</u>	<u>(1,454,325)</u>	<u>(1,063,638)</u>	<u>(1,055,918)</u>	<u>(5,150,993)</u>
<u>\$ 961,835</u>	<u>\$ 545,516</u>	<u>\$ 388,060</u>	<u>\$ (64,600)</u>	<u>\$ 162,284</u>

CALHOUN COUNTY
Assessed and Actual Value of Taxable Property
Last Ten Years
(in thousands of dollars)

Year	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Development Property	Personal Property	Total Assessed and Actual Value	Total Direct Tax Rate
2001	1,981,607	455,571	159,793	248,706	2,426	522,580	3,370,683	7.1961
2002	2,117,143	501,549	172,685	276,432	2,860	549,719	3,620,388	6.6713
2003	2,236,939	511,836	187,748	284,419	4,071	552,139	3,777,152	6.6513
2004	2,365,271	529,554	198,177	317,677	6,004	537,287	3,953,970	6.3713
2005	2,505,126	543,400	199,588	349,739	5,595	509,030	4,112,478	6.3713
2006	2,643,132	547,919	201,824	381,904	5,378	524,870	4,305,027	6.3713
2007	2,785,334	556,065	201,919	360,498	3,565	521,368	4,428,749	6.3713
2008	2,876,423	577,470	208,095	379,918	3,732	507,541	4,553,179	6.3713
2009	2,811,259	601,437	221,113	388,939	3,886	552,079	4,578,713	6.3713
2010	2,562,052	618,616	189,424	421,493	3,155	542,057	4,336,797	6.3713

Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

CALHOUN COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of taxable value)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County direct rates											
Operation		5.37	5.37	5.37	5.37	5.37	5.38	5.38	5.38	5.38	5.38
Special voted		1.82	1.29	1.27	0.99	0.99	0.99	0.99	0.99	0.99	0.99
Total direct rate		7.19	6.66	6.64	6.36	6.36	6.37	6.37	6.37	6.37	6.37
Overlapping rates											
Cities:											
Albion		18.31	18.30	18.37	20.07	19.97	19.97	19.67	17.87	17.87	17.87
Albion - RZ		-	-	-	-	-	1.20	1.20	7.49	1.00	1.00
Battle Creek		13.00	13.00	13.00	13.00	13.92	14.48	14.48	14.48	14.48	14.48
Battle Creek - RZ		-	0.97	3.14	2.55	2.69	3.25	5.95	5.95	5.95	-
Battle Creek - DNR PILT		-	-	-	-	-	-	-	-	-	-
Marshall		16.76	16.76	16.76	16.73	16.76	16.76	16.76	16.76	16.76	16.89
Marshall - DDA		1.72	1.67	1.67	1.67	1.61	2.11	2.11	2.11	2.10	16.89
Springfield		15.00	15.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Townships (average)	(A)	1.49	1.66	1.65	1.70	1.69	1.93	1.75	1.69	1.69	1.56
Villages (average)	(B)	13.40	13.24	13.07	12.88	12.50	12.80	12.67	12.67	10.47	12.67
School districts (average)	(C)	22.87	22.70	22.86	23.60	23.46	23.33	23.56	23.53	22.05	23.75
Intermediate school district (average)	(D)	4.72	4.49	4.67	4.65	4.94	4.93	4.93	4.99	5.00	5.06
Community college (average)	(E)	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26
Library (average)	(F)	1.75	1.75	1.73	2.07	2.06	2.02	2.01	2.04	2.03	2.03
(A) - Rates range from:											
Low		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
High		3.91	3.92	3.87	3.86	3.94	4.38	4.38	4.38	4.38	4.35
(B) - Rates range from:											
Low		10.90	10.34	10.32	9.85	9.85	9.85	9.86	9.85	-	9.85
High		17.27	17.10	16.78	16.47	17.10	16.65	15.97	15.97	15.97	15.97
(C) - Rates range from:											
Low		18.10	18.00	18.00	20.00	20.00	20.00	20.95	20.85	-	21.25
High		31.04	29.87	29.19	28.21	27.35	27.05	27.05	27.05	27.05	27.05
(D) - Rates range from:											
Low		2.06	2.03	2.01	1.99	1.97	1.96	1.96	1.95	1.95	1.95
High		8.49	7.42	8.22	8.17	8.13	8.11	8.10	8.11	8.11	8.11
(E) - Rates range from:											
Low		2.82	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81
High		3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71
(F) - Rates range from:											
Low		1.50	1.50	1.46	2.00	2.00	2.00	2.00	2.00	2.00	2.00
High		2.00	2.00	2.00	2.14	2.12	2.03	2.25	2.25	2.25	2.25

Source: Calhoun County Equalization Department - Apportionment Report.

CALHOUN COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Kellogg Company	\$ 136,231,015	1	3.67%	\$ 149,190,837	1	5.31%
Consumers Energy	63,417,124	2	1.71%	54,593,014	3	1.94%
Post Foods	49,199,576	3	1.33%	41,361,843	4	1.47%
Denso Manufacturing MI Inc	47,860,022	4	1.29%	64,773,704	2	2.30%
Semco Energy	23,631,868	5	0.64%	22,403,563	6	0.80%
Andersons LLC	19,743,550	6	0.53%			
Ralcorp Holdings	16,289,426	7	0.44%	15,989,111	8	0.57%
Lakeview Delaware	13,757,902	8	0.37%			
Musashi Auto Parts - Michigan Inc	11,569,007	9	0.31%			
Harper Village LLC	8,726,338	10	0.24%			
Vector Pipeline				25,110,570	5	0.89%
Eaton Corporation				20,348,586	7	0.72%
Technical Auto Parts Inc.				15,041,006	9	0.54%
Hayes Lemmerz Int'l				13,886,496	10	0.49%
	<u>\$ 390,425,828</u>		<u>10.52%</u>	<u>\$ 422,698,730</u>		<u>28.76%</u>

Source: Calhoun County Equalization Department.

CALHOUN COUNTY

Property Tax Levies and Collections

Last Ten Years

							(1)
Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2001	\$	14,402,419	\$ 12,933,207	89.80%	\$ 1,488,956	\$ 14,422,163	100.14%
2002		15,124,938	13,781,041	91.11%	1,309,740	15,090,781	99.77%
2003		15,612,489	14,220,519	91.08%	1,333,578	15,554,097	99.63%
2004		16,196,573	14,874,267	91.84%	1,273,057	16,147,324	99.70%
2005		16,649,367	15,365,609	92.29%	1,278,777	16,644,386	99.97%
2006		17,472,152	16,264,916	93.09%	1,204,519	17,469,435	99.98%
2007		18,165,735	16,697,148	91.92%	1,431,953	18,129,101	99.80%
2008		18,669,055	17,205,622	92.16%	1,432,999	18,638,621	99.84%
2009		19,084,890	17,538,727	91.90%	1,520,136	19,058,863	99.86%
2010		18,624,477	17,169,537	92.19%	-	17,169,537	92.19%

Source: Calhoun County Treasurer's Office

(1) Personal property taxes recorded at 80%

CALHOUN COUNTY
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal	General Obligation Bonds	General Obligation Tax Notes	Capital Leases			
2001	17,119,706	-	1,814,528	-	800,000	-	16,105,178	0.46%	116.56
2002	14,840,290	-	2,785,918	-	3,000,000	-	15,054,372	0.41%	108.79
2003	11,162,553	-	717,829	-	2,000,000	-	12,444,724	0.33%	89.62
2004	9,089,270	366,231	12,168	-	450,000	-	9,893,333	0.26%	71.14
2005	8,481,241	309,330	13,118	-	500,000	-	9,277,453	0.23%	66.65
2006	7,831,155	269,599	123,662	8,000,000	350,000	-	16,327,092	0.40%	118.32
2007	7,154,693	251,364	4,691	8,000,000	750,000	14,497	16,165,863	0.40%	118.33
2008	6,855,000	240,666	7,580	7,800,000	250,000	7,490	15,145,576	0.35%	111.48
2009	6,515,000	162,209	7,881	7,600,000	200,000	-	14,469,328	0.33%	106.69
2010	13,140,000	253,660	8,079	7,350,000	900,000	-	21,635,581	0.50%	158.91

Year	Governmental Activities			Total	Taxable Value of Property	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal				
2001	17,119,706	-	1,814,528	15,305,178	2,810,965,726	0.54%	603.59
2002	14,840,290	-	2,785,918	12,054,372	2,982,437,725	0.40%	458.72
2003	11,162,553	-	717,829	10,444,724	3,111,551,148	0.34%	388.86
2004	9,089,270	366,231	12,168	8,710,871	3,228,412,954	0.27%	318.26
2005	8,481,241	309,330	13,118	8,158,793	3,318,085,093	0.25%	285.39
2006	7,831,155	269,599	123,662	7,437,894	3,470,883,407	0.21%	249.08
2007	7,154,693	251,364	4,691	6,898,638	3,611,665,400	0.19%	230.75
2008	6,855,000	240,666	7,580	6,606,754	3,724,578,452	0.18%	208.73
2009	6,515,000	162,209	7,881	6,344,910	3,849,508,652	0.16%	196.88
2010	13,140,000	253,660	8,079	12,878,261	3,710,386,490	0.35%	399.61

Source: Calhoun County Finance Department

CALHOUN COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2010

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation tax notes	\$ 900,000	\$ -	\$ 900,000
Building authority bonds	6,140,000	-	6,140,000
Medical Care Facility bonds	7,350,000	-	7,350,000
Public Works - water and sewer debt	6,930,000	6,930,000	-
Recovery zone economic development bonds	7,000,000	-	7,000,000
Michigan Transportation Fund notes	975,000	-	975,000
Net direct debt	<u>\$ 29,295,000</u>	<u>\$ 6,930,000</u>	<u>22,365,000</u>
	Debt Outstanding	Percentage Applicable	Government's Share of Overlapping Debt
Overlapping debt			
School districts			
Albion	5,800,000	94.95	5,507,100
Athens	570,000	88.99	507,243
Battle Creek	63,950,000	100.00	63,950,000
Bellevue	25,094,942	16.07	4,032,757
Climax Scotts	6,528,485	12.82	836,952
Gull Lake	38,717,000	6.99	2,706,318
Harper Creek	69,506,205	100.00	69,506,205
Hastings	24,655,000	0.70	172,585
Homer	4,305,000	97.57	4,200,389
Lakeview Calhoun	48,770,000	100.00	48,770,000
Litchfield	1,795,000	3.17	56,902
Mar Lee	1,815,000	100.00	1,815,000
Marshall	58,550,000	100.00	58,550,000
Olivet	35,815,776	30.00	10,744,733
Pennfield	36,749,167	97.88	35,970,085
Springport	16,433,220	37.07	6,091,795
Tekonsha	705,000	85.55	603,128
Union City	-	41.54	-
			<u>314,021,192</u>
Intermediate school district	23,675,000	1.01	238,644
Community colleges			
Kellogg Community College	4,300,000	96.50	4,149,500
Library			
Marshall District Library	1,020,000	100.00	1,020,000
City	91,225,000	100.00	91,225,000
Township	7,022,000	100.00	7,022,000
Village	776,000	100.00	776,000
Net overlapping debt			<u>418,452,336</u>
Net direct and overlapping debt			<u>\$ 440,817,336</u>

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

Note: Percentage of overlap based on state equalized values.

CALHOUN COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2010

Total assessed value	\$ 4,336,796,209
Debt limit (10% of assessed value)	\$ 433,679,621
Debt applicable to limit	22,365,000
Legal debt margin	\$ 411,314,621

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2001	337,068,241	33,424,706	303,643,535	9.92%
2002	362,038,829	34,535,290	327,503,539	9.54%
2003	377,715,142	27,507,553	350,207,589	7.28%
2004	395,397,056	24,384,270	371,012,786	6.17%
2005	411,102,610	22,996,241	388,106,369	5.59%
2006	430,437,237	19,495,000	410,942,237	4.53%
2007	442,874,896	18,800,000	424,074,896	4.24%
2008	455,317,890	17,230,000	438,087,890	3.78%
2009	457,871,289	15,615,000	442,256,289	3.41%
2010	433,679,621	22,370,000	411,309,621	5.16%

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

CALHOUN COUNTY
Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	School Enrollment
2001	138,175	3,500,169	25,357	5.1%	27,432
2002	138,375	3,635,112	26,278	6.0%	27,001
2003	138,854	3,720,361	26,860	7.2%	27,528
2004	139,067	3,800,925	27,370	6.8%	25,962
2005	139,191	3,950,965	28,588	6.4%	25,709
2006	137,991	4,107,089	29,862	6.9%	26,703
2007	136,615	4,075,917	29,897	6.8%	25,941
2008	135,861	4,317,471	31,652	9.6%	23,805
2009	135,616	4,370,436	32,227	12.50%	22,885
2010	136,146	4,370,436 (a)	32,227 (a)	9.40%	25,020

(a) Data not available at the time of publication.

Sources: U.S. Census Bureau
Bureau of Economic Analysis, U.S. Department of Commerce
Calhoun Intermediate School District

CALHOUN COUNTY
Principal Employers
Current Year and Nine Years Ago

Employer	2010			2001		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Denso International America, Inc.	2,100	1	3.52%	2,000	2	2.98%
Hart - Dole - Inouye Federal Center	1,900	2	3.18%	1,600	4	2.38%
Kellogg Company	1,900	3	3.18%	2,383	1	3.55%
Battle Creek Health System	1,554	4	2.60%	1,500	5	2.23%
Kraft Foods, Post Division	1,500	5	2.51%	1,201	7	1.79%
Battle Creek Public Schools	1,300	6	2.18%	1,846	3	2.75%
Dept of Veterans Affairs Medical Center	1,150	7	1.93%	1,114	8	1.66%
Asmo Manufacturing	700	8	1.17%			
Spartan Stores	700	9	1.17%			
Duncan Aviation	680	10	1.14%			
State Farm Insurance Company				1,355	6	2.02%
Tokai Rika				670	9	1.00%
I.I. Stanley				650	10	0.97%
	<u>13,484</u>		<u>22.60%</u>	<u>14,319</u>		<u>21.32%</u>

Source: Calhoun County Finance Department.

CALHOUN COUNTY
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Legislative										
Board of Commissioners	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Judicial										
Circuit Court	12.00	14.75	14.79	14.00	14.75	14.80	14.80	13.80	14.80	14.80
Circuit Court - Family	10.00	11.00	11.00	10.00	10.00	10.00	9.00	8.00	8.00	7.00
District Court	52.18	54.04	55.80	54.23	55.58	56.33	56.60	57.25	58.25	54.03
Friend of the Court	58.30	61.50	59.49	58.83	59.06	59.60	60.00	60.00	60.00	54.00
Probate Court	10.00	9.00	8.88	8.88	9.00	10.00	10.00	10.00	10.00	9.00
Court Services	3.00	4.00	4.00	3.00	3.00	3.00	2.00	2.00	2.00	1.00
General Government										
County Administrator	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	5.35	5.35	5.35	5.00	5.34	4.00	4.00	4.00	4.00	4.00
Information & Tech Systems	2.00	3.00	4.00	4.00	4.00	3.00	4.00	4.00	3.00	3.00
Facilities Management	10.00	10.00	10.00	10.00	12.00	11.00	12.00	12.00	12.00	12.00
Corporation Counsel	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00	5.00	5.00
Equalization	6.00	6.34	4.60	6.00	5.00	5.00	3.00	4.50	4.50	5.00
Human Resources	3.00	3.66	4.00	4.00	4.00	4.00	2.00	4.00	4.00	4.00
Clerk - Elections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerk of the Circuit Court	8.81	9.00	9.00	9.00	9.00	9.00	8.00	9.00	9.00	9.00
Clerk/Register	10.56	10.43	11.50	11.50	11.50	11.50	12.50	12.50	12.50	12.50
Prosecuting Attorney	28.50	29.50	31.50	32.50	31.50	29.50	28.50	27.50	28.50	26.50
Treasurer	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Cooperative Extension	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Water Resources Commissioner	3.05	3.07	3.16	2.97	3.06	3.00	3.00	3.00	3.50	3.70
Public Safety										
Sheriff	146.70	156.35	168.11	171.22	172.40	166.78	171.97	171.75	171.10	165.50
Community Corrections	8.00	8.00	8.50	8.00	8.00	7.00	8.00	8.00	8.00	7.00
Emergency Management	1.00	3.00	3.00	2.00	1.00	2.00	3.00	2.00	2.00	2.00
Drug Court	0.00	1.00	2.00	3.32	4.00	3.50	3.50	3.00	3.50	3.50
Prosecuting Attorney	12.00	11.00	13.30	15.00	12.00	12.00	11.00	11.00	11.00	8.00
Health & Welfare										
Health Department	69.11	64.13	66.64	70.44	64.55	53.48	45.57	44.02	46.32	48.59
Child Care Fund	49.04	48.75	53.19	53.68	49.94	42.90	49.10	46.70	47.70	43.40
Senior Millage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Veterans Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	<u>540.36</u>	<u>558.61</u>	<u>583.55</u>	<u>589.31</u>	<u>580.42</u>	<u>553.13</u>	<u>554.29</u>	<u>550.77</u>	<u>556.42</u>	<u>528.27</u>

Source: Calhoun County Finance Department

CALHOUN COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Judicial										
Circuit Court:										
Number of petitions opened	--*	2,079	2,118	1,931	1,932	1,873	1,762	1,750	1,543	1,471
Number of dispositions	--*	2,055	2,082	2,003	1,955	2,021	1,940	1,780	1,500	1,437
Circuit Court - Family Division:										
Number of petitions opened	--*	1,707	1,484	1,523	1,707	1,635	1,694	1,545	1,320	1,365
Number of dispositions	--*	1,589	1,313	1,541	1,656	1,666	1,808	1,640	1,328	1,329
District Court:										
New felony cases	--*	2,252	2,052	1,957	2,021	1,933	1,874	1,973	1,901	1,771
New misdemeanor cases	--*	4,931	4,121	3,763	4,348	4,039	4,166	3,989	3,986	3,538
New traffic & civil infractions	--*	40,569	34,641	32,644	42,773	35,145	33,294	30,785	32,809	31,652
New civil cases	--*	9,727	10,266	9,960	10,363	10,270	11,257	11,787	10,864	10,383
New OWI/OWVI	--*	951	849	731	886	883	733	816	764	820
Probate Court:										
Number of active estate and trust cases	--*	466	467	474	461	433	448	474	467	456
Number of wills filed for safekeeping	--*	590	731	1,065	1,161	335	421	614	500	310
Number of guardianships/conservatorships	--*	2,275	2,216	2,119	2,090	2,036	1,936	1,908	1,937	1,952
Public Safety (Sheriff):										
Number of incidents	13,875	9,918	9,734	11,912	13,868	12,074	11,857	12,636	12,478	12,683
Number of bookings	13,062	12,985	11,916	11,020	11,574	10,810	11,104	11,575	11,679	12,565
Number of traffic crashes	1,486	1,417	1,603	1,722	1,771	1,604	1,811	1,878	1,661	1,465
Number of fatal crashes	1	7	4	1	6	6	8	12	9	4
Number of animal control calls	--*	--*	--*	--*	--*	--*	--*	--*	987	1,017
Health										
Public Health:										
Vaccines administered	22,729	21,816	8,459	9,456	9,966	6,884	2,848	4,160	13,753	10,457
Number of STD clients	2,169	2,225	2,335	2,492	2,804	2,523	2,298	2,376	2,604	2,079
Water Resources										
Drain & Lake Level control structure maintenance projects	55	57	27	60	46	51	61	69	77	67
Seniors										
Number of seniors served										
Health services:	4,167	5,497	5,228	4,898	4,613	3,698	3,255	2,834	2,972	2,444
Access services:	2,622	3,230	2,377	1,843	2,322	2,722	3,212	3,286	3,792	5,771

Source: Calhoun County Circuit Court, Calhoun County District Court, Calhoun County Probate Court,
Calhoun County Sheriff's Department, Calhoun County Health Department,
Calhoun County Water Resources Department, Calhoun County Senior Services Department

--* Information not available

CALHOUN COUNTY
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Corrections facility maximum capacity	620	620	620	620	620	620	620	620	620	620
Vehicle patrol units:										
Police service automobiles	14	21	24	31	33	31	34	38	35	43
Animal control	2	2	2	2	2	2	2	2	2	2
Jail	2	4	5	5	5	5	7	9	8	8
Public works										
Miles of county maintained roads:										
Primary	522	483	483	483	483	483	483	483	483	483
Local	966	827	827	827	827	827	827	827	827	827
State Trunkline	207	205	205	205	205	205	205	205	205	205
Parks and Recreation										
County Parks	3	3	3	3	3	3	3	3	3	3
Custer Greens Golf Course	1	1	1	1	1	1	-	-	-	-

Source: Calhoun County Finance Department

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2010

Type of Coverage Name of Company	Policy Period	Premium	Description
Michigan Municipal Risk Management Authority (MMRMA)	01/01/10-12/31/10	\$ 643,211	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$15,000,000 per occurrence; self insured retention (SIR) is \$200K for general liability, \$16K per vehicle/\$31K per vehicle damage.
Buildings and Contents: Michigan Municipal Risk Management Authority (MMRMA)	01/01/10-12/31/10	Included	All risk coverage on buildings and contents at replacement cost of \$113,056,173 with an \$11,000 maximum self insurance retention (SIR) per occurrence. Includes burglary as well as perils from flood and earthquake.
Michigan Municipal Risk Management Authority (MMRMA)	01/01/10-12/31/10	Included	Covers loss to the County caused by dishonesty or fraudulent act of an employee or failure to faithfully perform the duties or the position. Limit \$1,000,000. All County employees are covered under this Blanket Faithful Performance Bond with Elected Officials protected under individual Performance Bonds at the same dollar limit.
Marine Property Coverage	01/01/10-12/31/10	Included	Covers scheduled portable equipment consisting of boats, motors, trailers, jet skis, hovercraft, etc. Coverage limited to \$250K per occurrence.
Short-Term Bond Burnham & Flower Insurance Group	01/01/10-12/31/10	6,504	Bond is based on 40% of the tax levy for the County, schools and SET (State Education Tax). County is partially reimbursed for the cost of the bond.
Workers' Compensation Cambridge Integrated Services Group, Inc.	01/01/10-6/30/10	15,483	TPA for Claims Service.
Workers' Compensation Citizens Management Inc.	07/01/10-12/31/13	16,295	TPA for Claims Service.
Safety National Casualty Corporation	01/01/10-12/31/10	17,907	Statutory specific excess insurance above a \$350,000 retention subject to an annual aggregate limit of \$1 million.
Sick & Accident Regency Employee Benefits	01/01/10-12/31/10	27,540	TPA for Claims Service.
Long-Term Disability Mutual of Omaha	01/01/10-12/31/10	Varies	Covers all full-time GELC, IUOE, MNA, and AFSCME Health eligible employees. Coverage is 66 and 2/3% of monthly salary up to a maximum of \$4,200.
Life Insurance Madison National Life	01/01/10-12/31/11	Varies	Covers death of employee and/or AD&D. All full-time employees with coverage equal to 1 X annual salary, rounded down to the nearest \$1,000, up to a maximum of \$50K. IUOE members receive a flat \$50K.
Dental Delta Dental Core Plan	01/01/10-12/31/10	50.31	100% basic dental, 50% other services (excl Orthodontics), \$800 annual limit.
Community Blue Preferred Provider Organization (PPO) Plan 1 Blue Cross/Blue Shield	01/01/10-12/31/10	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits. Out of network benefits have an annual deductible of \$250 individual/\$500 family.

Continued.....

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2010

Type of Coverage Name of Company	Policy Period	Premium	Description
Community Blue Preferred Provider Organization (PPO) Plan 3 Blue Cross/Blue Shield	01/01/10-12/31/10	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$250 individual/\$500 family. Out of network benefits have an annual deductible of \$500 individual/\$1,000 family.
Flexible Blue Preferred Provider Organization (PPO) Plan 3 Blue Cross/Blue Shield	01/01/10-12/31/10	Varies	A medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$2,000 individual/\$4,000 family. Out of network benefits have an annual deductible of \$4,000 individual/\$8,000 family.
First Dollar Plan w/Master Medical Option 1 (80/20) Blue Cross/Blue Shield	01/01/10-12/31/10	Varies	Basic and Master Medical Comprehensive medical care coverage including emergency care, and office visits. Annual deductible of \$250 individual/\$500 family on Major Medical Benefits.
Medicare Advantage Blue Care Network	01/01/10-12/31/10	211.23	A cost-sharing medical care plan requiring a Primary Care Physician choice. The plan includes preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits.
Medicare Advantage Preferred Provider Organization (PPO) Blue Cross Blue Shield	09/01/10-12/31/10	412.24	A medical care plan including preventive care services, coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$250 individual/\$1,250 maximum. Out of network benefits have a annual deductible of \$500 individual/\$2,500 maximum.
Vision Care Blue Cross/Blue Shield/ Vision Service Plan (VSP)	01/01/10-12/31/10	Varies	Vision Care option pays for certain vision care tests and supplies, when obtained from a participating provider, after County employee pays the provider the required co-payment amount.

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